year 2005 to this fund which would provide grants for prevention care programs and partnerships between local governments and the private sector that would lead to education, treatment, research, and affordable drugs.

Organizations like the Joint United Nations Programme on HIV/AIDS (UNAIDS) would be recipients of these grants.

By providing grants to organizations like UNAIDS, this bill could help address the ''drug corruption'' in sub-Saharan Africa by requiring that only those countries that eliminate corruption are eligible for trust funds.

Just last week, this Congress passed the Africa Growth and Opportunity Act in which there is a structured framework for this country to use trade and investment as an economic development too throughout Africa and the Caribbean.

Unfortunately, the conference report does not include Senator Feinstein and Feingold's amendment that would have prohibited the Executive Branch from denying African countries to use legal means to improve access to HIV/AIDS pharmaceuticals for their citizens. This amendment would have clarified the African Growth and Opportunity Act so that African Governments, in accordance with the World Trade Organizations policies, could exercise flexibility in addressing public health concerns.

Thus, this amendment would simply allow countries to determine the availability of HIV/AIDS pharmaceuticals in their countries and provide their people with affordable HIV drugs.

Despite the failure of Senator Feinstein and Feingold's amendment, the White House still recognized the importance of access to drug therapies by issuing an Executive Order just last week Wednesday to provide access to HIV pharmaceuticals and medical technology.

This Executive Order incorporates the language of the Senator Feinstein-Feingold amendment and declares that the United States would not invoke a key clause in U.S. trade law against sub-Saharan African countries concerning the protection of patents on AIDS drugs. Like the Senators' amendments, the Executive Order would instead hold the African countries to the less stringent standard of the WTO on intellectual property protection.

Furthermore, I am pleased the House-Senate conference report includes amendments, which I offered during last year's consideration of the House bill.

The first provision encourages the development of small businesses in sub-Shararan Africa, including the promotion of trade between the small businesses in the United States and sub-Saharan Africa. This is an important victory for small business enterprises in America that are looking to expand remarkable trade opportunities in Africa.

It was once said, ''There is nothing more dangerous than to build a society, with a large segment of people in that society, who feel that they have no stake in it; who feel that they have nothing to lose. People who have a stake in their society, protect that society, but when they don't have it, they unconsciously want to destroy it.'' Although Martin Luther King was not speaking of AIDS, his comment rings true in so many aspects today.

The private sector must take responsibility for the eradication of this disease if these U.S. businesses are going to use African resources for their economic benefit.

Thus, I am pleased that an additional amendment I offered was incorporated into the conference report. This provision encourages U.S. businesses to provide assistance to sub-Saharan African nations to reduce the incidence of HIV/AIDS and consider the establishment of a Response Fund to coordinate such efforts.

This is important because HIV/AIDS have now been declared a national security threat. My provision reflects a national and international consensus that we must do everything we can to eliminate the HIV/AIDS disease.

Senior Clinton Administration officials clearly express their frustration that by all estimates on HIV/AIDS, that nearly $2 billion is needed to adequately prevent the spread of this disease in Africa per year.

Although, some say this may not be feasible at the moment, and the $200 million a year donation from the U.S. is not either, we no longer can deny that this disease is an epidemic of enormous proportion that can no longer be ignored.

The very fact that the Clinton Administration formally recognized a month ago that the spread of HIV/AIDS in the world today is an international crisis by declaring HIV/AIDS to be a National Security threat is illustrative of the devastating effect of this disease.

It is estimated that 800,000 to 900,000 American are living with HIV and every year another 40,000 become infected. Although newer and effective therapies have led to reductions in the mortality rate of people with HIV/AIDS, the demographics of this epidemic have shifted. Thus, women, young people, and people of color represent an alarming portion of the new cases of HIV/AIDS.

Globally, more than 16 million have died from AIDS Since the 1980's, 80% of them in sub-Saharan Africa.

The creation of a WorldWide trust in which nations would be able to obtain grants to address the needs of HIV/AIDS victims globally is truly needed.

We know that 60% of those that have died from AIDS are in Sub-Saharan Africa.

An even more heart-wrenching statistic is that 13 million children have lost one or both of their parents to AIDS and this number is projected to reach 40 million by 2010.

AIDS in Sub-Saharan Africa accounts for nearly half of all infectious disease deaths globally.

The percentage of the adult population infected with HIV or suffering from AIDS is alarming. To name a few: In Zimbabwe—25.9%; Botswana—25.1%; Namibia—19.4%; and South Africa—12.9%.

Additionally, in places like Namibia there has been a 44.5% drop in the life expectancy. Now adults in Namibia are only expected to live 38.9 year!

In Zimbabwe, the life expectancy is only 38.8 years and in Malawi, 34.8 years! Not since the bubonic plague of the Middle Ages, has there been a more devastating disease.

Yet, HIV/AIDS is 100% preventable. There is no reason for 2 million to die a year in Sub-Saharan Africa and 4 million to become infected.

The AIDS Marshall plan will help to ensure that the federal government commits to addressing the HIV/AIDS epidemic over the next several years.

The survival of Africa is at stake! The United States can and should be the leader in generating a global response to this incredible contagion.

Now is the time to act and I urge my colleagues to support this measure in its entirety.

MANIPULATING INTEREST RATES

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

Mr. PAUL. Mr. Speaker, the national debt is rising at an annual rate of $100 billion per year while the Federal Government's obligation to future generations is rising even faster. Yet, little concern is shown here in Congress as our budgets grow and new programs are added on to old. Ordinary political deception has been replaced with the dangerous notion of invincibleness as Members claim credit for imaginary budgetary surpluses.

The percent of our income that government now takes continues to rise while personal liberty is steadily compromised with each new budget. But the political euphoria associated with the ''New Era'' economy will soon come to an end.

Although many have done well during the last 7 years of economic growth, many middle income families have had to struggle just to keep up. For them, inflation is not dead and the easy fortunes made on Wall Street are as far removed as winning the lottery. When the economy enters into recession, this sense of frustration will spread.

Business cycles are well understood. They are not a natural consequence of capitalism, but instead result from central bank manipulation of credit. This is especially true when the monetary unit is undefinable, as it is in a fiat monetary system such as ours. Therefore, it is correct to blame the Federal Reserve for all depressions, recessions, inflations, and much of the unemployment since 1913. The next downturn, likewise, will be the fault of the Fed.

It is true that the apparent prosperity and the boom part of the cycle are a result of the Federal Reserve credit creation, but the price that must always be paid and the unfairness of inflationism makes it is a dangerous process.

The silly notion that money can be created at will by a printing press or through computer entries is eagerly accepted by the majority as an easy road to riches, while ignoring any need for austerity, hard work, saving, and a truly free market economy. Those who actively endorse this system equate money creation with wealth creation and see it as a panacea for the inherent political difficulty in raising taxes or cutting spending.

A central bank that has no restraints placed on it is always available to the politicians who spend endlessly for reelection purposes. When the private sector lacks its appetite to lend sufficiently to the government, the Federal Reserve is always available to buy Treasury debt with credit created outside of thin air. At the lightest hint that interest rates are higher than the Fed wants, its purchase of debt keeps interest rates in check; that is, they are kept lower than the market rate. Setting interest rates is an enormous undertaking. It is price fixing and totally foreign to the principle of free market competition.

Since this process is economically stimulating, the politicians, the recipients of government largess, the bankers, and almost everyone enjoys the benefit of what seems to be a gift without cost. But that is a fallacy.

There is always a cost. Artificially low interest rates prompts lower savings, over-capacity expansion, malinvestment, excessive borrowing, speculation, and price increases in various segments of the economy. Since money creation is not wealth creation, it inevitably leads to a lower value for the currency. The inflation always comes to an end with various victims, many of whom never enjoyed the benefits of the credit creation and deficit spending.

This silly notion of money and credit gives rise to the conventional wisdom that once the economy gets really rolling along, it is time for the Fed to stop economic growth. This false assumption is that economic growth causes higher prices and higher labor costs, and these evils must be prevented by tightening credit and raising interest rates.

But these are only the consequences of the previous monetary expansion, and blaming rising prices or higher labor costs is done only to distract from the real culprit, monetary inflation by the Federal Reserve.

In a free market, economic growth would never be considered a negative and purposely discouraged. It is strange that so many established economists and politicians accept the notion of dampening economic growth for this purpose. Economic growth with sound money always lowers prices. It never raises them.

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Deliberately increasing rates actually increases the cost of borrowing for everyone, and yet it is claimed that this is necessary to stop rising cost. Obviously, there is not much to the soundness of central economic planning through monetary policy of this sort.

There are some who see this fallacy and object to deliberately slowing the economy but instead clamor for even more monetary growth to keep interest rates low and the economy booming. But this is just as silly because that leads to even more debasement of the currency, rising prices, and instead of lowering interest rates will, in time, due to inflationary expectation, actually raise rates.

Fine-tuning the economy through monetary manipulation is a dangerous game to play. We are now completing a decade of rapid monetary growth and evidence is now appearing indicating that we will soon start to pay for our profligate ways.

The financial bubble that the Fed manufactured over the past decade or two will burst and the illusion of our great wealth will end. In time, also the illusion of "surpluses for as far as the eyes can see will end." Then the Congress will be forced to take much more seriously the budgetary problems that it pretends do not exist.

PERMANENT TRADE RELATIONS WITH CHINA

The SPEAKER pro tempore (Mr. OSE). Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, I wish to inform my colleagues and those who are listening this evening of the publication of an excellent new report called Made in China, released by Charles Kernaghan, of New York City. This report can be found at web site www.nlcnet.org. It talks about the role of U.S. companies in denying human and worker rights in China.

The report begins, "For years, and now again with renewed vigor, U.S. companies have claimed that their mere presence in China would help open that society to American values." And it talks about "Recent in-depth investigations," conducted by individuals in China, at great risk to themselves, "of 16 factories in China producing car stereos, bikes, shoes, sneakers, clothing, TVs, hats and bags for some of the largest U.S. companies clearly demonstrate that Wal-Mart, Nike, Huffy and others and their contractors in China continue to systematically violate the most fundamental human and worker rights, while paying subsistence wages."

The report talks about Kathie Lee handbags being made for Wal-Mart at the Qin Shi factory where 1,000 workers were being held under conditions of indentured servitude in that Communist country forced to work 12-to-14-hour days 7 days a week with only one day off a month while earning an average of 3 cents an hour. However, after months of work, 46 percent of the workers surveyed have earned nothing at all. In fact, they owed money to the company.

This report is absolutely amazing, and I would urge all my colleagues to take a look at the firms mentioned in this book.

I also want to refer this evening to one in particular, Huffy Bicycles, which had been manufactured in my own State of Ohio, where 2,000 people lost their jobs, people who were earning $11 an hour, making a quality product. They were asked by their company to take a $2 an hour wage cut in Salina, Ohio, and they did, earning $9 an hour, because they wanted to keep their jobs. And I might say that Huffy has 80 percent of the U.S. bicycle market. Those jobs were moved to China. They were testing the waters in China. This is even before this proposal here to have permanent normal trade relations with China.

Why should we approve of a system which does the following? Huffy uses a contractor in China, the Taiwanese Zhenzhen Nan Guan Corporation in Bicycle Factory Number 1. There is also a Bicycle Factory Number 2. They assemble these bikes from parts supplied from local materials, from local factories, or from the Fuda Corporation from Taiwan. The workers in this factory work from 8 in the morning until 9:30 or 11:30 at night. They work 7 days a week. They earn 25 cents to 41 cents per hour for a weekly wage of $16.68 for a 66-hour workweek.

Think about that. And if they do not work the mandatory overtime, they are penalized double. They lose $6.02 of their weekly wage, or 2 full days of wage if they refuse to work the overtime.

Not only that, but the quality of the bicycle has gone down. If we go to Kmart, if we go to these retail outlets and we buy a Huffy bike, it still costs $100, but look at the welds. The double welds that used to exist on the fenders, which our workers were very proud of their work in the State of Ohio, they know good metal and they know good quality workmanship, that does not exist any more. The quality of metals has gone down.

And when we try to find if the bearings are good or we try to figure out before we buy it whether the bike is of quality, everything is sprayed with paint now. We really cannot tell the quality of the workmanship until we buy the bicycle. Huffy does not stand for quality any more.

I will never get one of their campaign contributions, but what they did to the workers in Salina, Ohio, to me, is repugnant. And I think to have this kind of indentured servitude, for America to approve anything permanent with China, until we fix situations like this, really undermines the fundamental liberties and principles for which this Nation should stand domestically and internationally.

And let me add a word as a graduate of the University of Michigan. Two weeks ago the University of Michigan Board of Trustees, along with Brown University and the University of Oregon, refused to sign contracts with