

the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

Mr. DAVIS of Illinois. Mr. Speaker, I rise to pay tribute to a man who could be called the personification of a smooth, effective and loyal bureaucrat but also a dedicated protector and promoter of health care for veterans. Joseph L. Moore began his career with the Veterans Affairs Department as a clerk typist but ended it as director of the Lakeside and Westside Veterans' Administration Hospitals in Chicago, Illinois.

Born in Ripley, Tennessee and raised in St. Louis, Missouri, Mr. Moore worked with the Department of Veterans Affairs for more than 40 years. He came to Chicago in 1979 to take over as director of the VA Lakeside Medical Center. He became director of the Chicago VA Health Care System in 1996 when Lakeside administration merged with the Westside VA Medical Center. He was instrumental in facilitating the merger. That will stand as one of his final achievements in the Veterans' Administration. This merger is reported to have saved millions of dollars for U.S. taxpayers.

When Mr. Moore came to Lakeside, the hospital was in need of strong leadership, which he provided. He redid Lakeside and turned it around so that the veterans and their families could be well received and well treated. Just before his death, Mr. Moore was scheduled to receive an award from the Chicago Federal executive board for distinguished services. He served two terms as chairman of the Chicago Federal executive board.

Over 40 years, Joseph Moore championed quality health care services for all veterans. His commitment to the veteran community was without reservation. His integrity and intellect gained him the respect of medical professionals throughout the world. In every endeavor, he demonstrated exceptional leadership, professionalism and dedication to the public and to Federal employees.

Mr. Moore received the Distinguished Executive Presidential Rank award, the highest award given to a civilian employee of the Federal Government, from President Ronald Reagan. He was also the first nonphysician to receive the Distinguished Service award from Northwestern University's Department of Medicine.

He dedicated his life to providing good health care for veterans. As director of Lakeside Medical Center, Mr. Moore was a member of the board of directors for Northwestern University's McGaw Medical Center.

He leaves a legacy of dedication and service to veterans. I am pleased to have known and to have worked with him as he went about the business of protecting and promoting the highest level and quality of health care for men and women who had dedicated and

given their lives in the service of this country.

PNTR FOR CHINA

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

Mr. ETHERIDGE. Mr. Speaker, the vote on permanent trade status for China is vital to our technology and small business interests in North Carolina, but it is particularly important to North Carolina agriculture, so I am glad this evening to come and join a number of other colleagues and talk about this issue. In 1998, North Carolina ranked 11th among the 50 States in the value of agricultural exports totaling \$1.5 billion. These exports supported about 22,800 jobs both on and off the farm in our State.

Our State's largest agricultural export, of course, in North Carolina is tobacco. In 1998, North Carolina exported \$573 million worth of tobacco leaf. It has been estimated that if flue-cured tobacco farmers could capture just 1 percent of the Chinese market, that is 1 percent, and 1 percent of the manufacturing in China was comprised of American flue-cured tobacco, the stocks in Stabilization would cease to exist and quotas would rise for our farmers.

The North Carolina Rural Prosperity Task Force that was chaired by Erskine Bowles estimated that if China would give our farmers fair access to their markets, North Carolina exports of flue-cured tobacco would increase by as much as 10 percent right away. After suffering a 50 percent loss in income due to quota cuts during the past several years, such an increase would be welcome news to many struggling farmers and their families and to tobacco industry workers in our State and other States.

Today China's tariff that is imposed on tobacco is currently 40 percent. Once China joins the WTO, it would drop to only 10 percent by 2004. The tariff on tobacco products will fall 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.

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 Barshefsky, 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.

Trade deficits, and especially current account deficits, are of much greater significance. When trade imbalances are not corrected, sudden devaluations, higher interest rates and domestic inflation are forced on the country that has most abused its monetary power. This was seen in 1997 in the Asian crisis, and precarious economic conditions continue in that region. Japan has yet to recover from its monetary inflation of the seventies and eighties and has now suffered with a lethargic economy for over a decade. Even after this length of time, there is no serious thought for currency reform in Japan or any other Asian country.

Although international trade imbalances are a predictable result of fiat money, the duration and intensity of

the cycles associated with it are not. A reserve currency, such as is the dollar, is treated by the market quite differently than another fiat currency. The issuer of a reserve currency, in this case, the United States, has greater latitude for inflating, and can tolerate a current account deficit for much longer periods of time than other countries not enjoying the same benefit.

But economic law, although at times it may seem lax, is ruthless in always demanding that economic imbalances arising from abuse of economic principles be rectified. In spite of the benefits that reserve currency countries enjoy, financial bubbles still occur, and their prolongation, for whatever reason, only means the inevitable adjustment, when it comes, is much more harsh.

Our current state of imbalance includes a huge U.S. foreign debt of \$1.5 trillion, a record 20 percent of our GDP, and is a consequence of our continuously running a huge monthly current account deficit that shows no signs of soon abating. We are now the world's greatest debtor.

The consequence of this deficit cannot be avoided. Our current account deficit has continued longer than many would have expected, but not knowing how long and to what extent deficits can go is not unusual. The precise event that starts the reversal in the trade balance is also unpredictable. The reversal itself is not.

Japan's lethargy, the Asian crisis, the Mexican financial crisis, Europe's weakness and uncertainty surrounding the Euro, the demise of the Soviet system and the ineptness of the Russian bailout, all contributed to the continued strength in the dollar and prolongation of our current account deficit.

This current account deficit, which prompts foreigners to loan back dollars to us and to invest in our stock and bond markets, has contributed significantly to the financial bubble. The perception that the United States is the economic and military powerhouse of the world helps perpetuate an illusion that the dollar is invincible and has encouraged our inflationary policies. By inflating our currency, we can then spend our dollars overseas, getting products at good prices which, on the short run, raises our standard of living, but on borrowed money. All currency account deficits must be financed by borrowing from abroad. It all ends when the world wakes up and realizes it has been had by the U.S. printing press. No country can expect to inflate its currency at will forever.

Since cartels never work, OPEC does not deserve credit for getting oil prices above \$30 per barrel. Demand for equivalent purchasing power for the sale of oil can. Recent commodity price and wage price increases signals accelerating price inflation is at hand. We