

May 4, 2001

building, and the challenge of profitable growth. He is currently Chief Executive Officer of the Hunterdon Healthcare System which provides healthcare to 120,000 residents of Hunterdon County and its contiguous communities.

Mr. Wise's community service includes serving on the Board of Directors of the United Ways of Hunterdon County, Chairman of the Capital Campaign for United Way, Board of Trustees for Hunterdon Hospice and a board member of the Flemington Rotary Club. He is also a member of the American Public Health Association and Chairman of the New Jersey Hospital Association.

Mr. Wise has demonstrated a commitment to service and deserves recognition for his years of service. I urge my colleagues to join me today in acknowledging Mr. Wise's accomplishments and contributions to New Jersey.

---

IN HONOR OF KAREN WARNER

**HON. DAVID E. BONIOR**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 3, 2001*

Mr. BONIOR. Mr. Speaker, the motto of the American Federation of State, County and Municipal Employees Michigan Council 25 is "The Union . . . that cares!" Today, that motto rings true as members gather at memorial services with the family and friends of Karen Warner, who passed away on April 25, 2001.

One of Southeastern Michigan's unsung heroes, Karen Warner was always a leader and an activist in her community. Beginning her career at Macomb Community College in May of 1976, Karen became a member of AFSCME Local 2172 and soon after was named Local President. Demonstrating outstanding dedication and commitment to the vision and principles of AFSCME, she quickly moved on to become the Region 3 Vice President on the AFSCME Executive Board, a Staff Representative in 1985, and subsequently Administrative Director.

Working tirelessly to organize programs and actively support several committees, including the Colleges and Universities Coordinating Committee, the Women's Committee, Youth Committee, and the P.E.O.P.L.E. Committee, Karen's efforts to promote awareness and activism throughout the community will continue to serve as an example to us all.

Karen Warner has always given one hundred percent in every aspect of her life, her work, her community, her family and her friends. Those who had the pleasure of knowing her and the benefit of working with her will surely continue to remember her as a dedicated, faithful friend to all. She will truly be missed.

I invite my colleagues to please join me in paying tribute to one of the most influential citizens of Southeastern Michigan, and saluting her for her exemplary years of care and service.

## EXTENSIONS OF REMARKS

INFLATION IS STILL WITH US

**HON. RON PAUL**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 3, 2001*

Mr. PAUL. Mr. Speaker, almost on a daily basis, government officials reassure us there is no inflation to worry about. But, today's definition of inflation of rising prices as measured by an artificial CPI and PPI is seriously flawed. Rising prices are but one of the many consequences of true inflation—which is an increase in the supply of money and credit.

To understand the perversities of inflation one must look to the money supply. The money supply, as measured by M3, rose an astounding \$42 billion last week and is up a whopping \$210 billion in the past ten weeks. MZM, another important measure of inflation, is rising at the rate of 27%. Now that's monetary debasement!

But rising prices, a reflection of monetary inflation, should not be dismissed as so many government economists have done. The current first quarter GDP report shows a 3.3% rise in the personal consumption price index, well above the 1.9% recorded in last year's fourth quarter.

And what about the record prices for gasoline? To pretend that gasoline prices pose little threat to American consumers is naive—not to mention the skyrocketing electricity bills they also face.

The most serious economic myth that Federal Reserve economists perpetuate is that a booming economy causes prices to rise and a slowing economy will hold "inflation" in check. Ever since 1971, when the fiat dollar was established, records show that during each of our economic slumps, prices rose even faster than they did during periods of economic growth, supporting the argument that rising prices are a consequence of monetary policy.

Although the economy is now slowing, and fuel prices are skyrocketing for the airlines, Delta pilots are receiving salary increases of between 24 and 34%. Other evidence of labor cost increases is now available even with the large and growing number of announced layoffs. Wage prices pressure is more often than not a consequence of monetary policy, not a tight labor market.

Rising prices and the economic slowdown must be laid at the feet of the Federal Reserve. Likewise, the existing financial bubble is a consequence of the same policy of monetary expansion and artificially low interest rates. Although the NASDAQ bubble has already partially deflated, the entire world financial system suffers from the same distortion; and a lot more adjustment is required. Merely re-inflating with monetary expansion and manipulating interest rates will not solve the problems of debt, mal-investment and overcapacity that plague the system.

Mismanaging world fiat currencies and working to iron out the trade imbalances that result, through a worldwide managed trade organization, will not suffice. We must one day address the subject of sound money and free market interest rates, where interest rates are not set by the central banks of the world.

A sad consequence of today's conditions is that monetary policy encourages transfer of

7201

wealth and power to the undeserving. The victims of bad monetary policy then blame capitalism for the inequities. The leftist demonstrators at recent WTO, IMF, and World Bank meetings make a legitimate point that the current system has resulted in accumulation of wealth and power in the hands of some at the expense of others.

But this is an expected consequence of monetary debasement, which generally leads to social unrest. But, blaming capitalism and freedom for the harm done by inflationism, special interest corporatism, and interventionism presents a danger to us all, since the case for commodity money and individual liberty is lost in the shouting. Unless this message is heard and distinguished from the current system, freedom and prosperity will be lost. Leaders of the current worldwide system that has evolved since the collapse of the Soviet empire pay lip service to free trade and free markets, but tragically they are moving us toward a fascist system of partnerships with government, big business, and international banking at the expense of the middle class and the poor.

---

HONORING THE LATE DAVID  
JERRY DONELAN OF DENVER

**HON. SCOTT McINNIS**

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 3, 2001*

Mr. McINNIS. Mr. Speaker, it is with great sorrow that I ask Congress to pay tribute to a native Coloradoan. David Jerry Donelan passed away on April 5 at the young age of 31. His family as well as all the people he came in contact with throughout his life will miss David.

David grew up in Aspen, Colorado and attended the University of Colorado where he graduated in 1993. Following graduation, David worked as a field director for Terry Considine's unsuccessful race for a U.S. Senate seat in Colorado. At the conclusion of the campaign, GOP leaders were very impressed with David's hard work. Sensing that David had a political future, he was quickly hired at the Colorado State Republican Party to serve as the Deputy Political Director.

During the 1993–1994 election cycle, David played a critical role in maintaining GOP control of the state House and Senate. He worked closely with and provided countless hours of assistance to candidates from throughout the state. After the 1994 election cycle David was hired by a major lobbying firm and worked on a number of governmental issues important to the state of Colorado.

David is survived by his parents, Charles and Penny, sister Shanley, grandparents, Bruce and Florence McKenzie and godfather George Beckvermit.

Mr. Speaker, David made a quick climb up the ladder of success and influenced a lot of people. His death is tragic, and he will be missed by everyone that knew him. David was an inspiration to all who knew him.