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PNTR

Statement of HON. RON PAUL OF TEXAS

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- Mr. Speaker, yesterday morning the legislation which would have implemented `permanent normal trade relations' with the People's Republic of China was three pages in length. Today, it is 66 pages in length. Close examination of this bill `gone bad' is demonstrative of how this Congress misdefines `free trade' and how, like most everything else is in Washington, this `free trade' bill is a misnomer of significant proportions.

- For the past several years I have favored normal trade relations with the People's Republic of China. Because of certain misconceptions, I believe it is useful to begin with some detail as to what `normal trade relations' status is and what it is not. Previous `normal trade relations' votes meant only that U.S. tariffs imposed on Chinese goods will be no different than tariffs imposed on other countries for similar products--period. NTR status did not mean more U.S. taxpayers dollars sent to China. It did not signify more international family planning dollars

sent overseas. NTR status does not mean automatic access to the World Bank, the World Trade Organization, OPIC, or any member of other 'foreign aid' vehicles by which the U.S. Congress sends foreign aid to a large number of countries. Rather, NTR status was the lowering of a United States citizen's taxes paid on voluntary exchanges entered into by citizens who happen to reside in different countries.

- Of course, many of the critics of NTR status for China do not address the free trade and the necessarily negative economic consequences of their position. No one should question that individual rights are vital to liberty and that the communist government of China has an abysmal record in that department. At the same time, basic human rights must necessarily include the right to enter into voluntary exchanges with others. To burden the U.S. citizens who enter into voluntary exchanges with exorbitant taxes (tariffs) in the name of 'protecting' the human rights of citizens of other countries would be internally inconsistent. Trade barriers when lowered, after all, benefit consumers who can purchase goods more cheaply than previously available. Those individuals choosing not to trade with citizens of particular foreign jurisdictions are not threatened by lowering barriers for those who do. Oftentimes, these critics focus instead on human rights deprivation by government leaders in China and see trade barriers as a means to 'reform' these sometimes tyrannical leaders. However, according to Father Robert Sirco, a Paulist priest who discussed this topic in the Wall Street Journal, American missionaries in China favor NTR status and see this as the policy most likely to bring about positive change in China.

- But all of this said, this new 66 page 'free trade' bill is not about free trade at all. It is about empowering and enriching international trade regulators and quasi-governmental entities on the backs of the U.S. taxpayer. Like NAFTA before us, this bill contains provisions which continue our country down the ugly path of internationally-engineered, 'managed trade' rather than that of free trade. As explained by Ph.D. economist Murray N. Rothbard: '[G]enuine free trade doesn't require a treaty (or its deformed cousin, a 'trade agreement'; NAFTA was called an agreement so it can avoid the constitutional requirement of approval by two-thirds of the Senate). If the establishment truly wants free trade, all its has to do is to repeal our numerous tariffs, import quotas, anti-dumping laws, and other American-imposed restrictions of free trade. No foreign policy or foreign maneuvering is necessary.'

- In truth, the bipartisan establishment's fanfare of `free trade' fosters the opposite of genuine freedom of exchange. Whereas genuine free traders examine free markets from the perspective of the consumer (each individual), the mercantilist examines trade from the perspective of the power elite; in other words, from the perspective of the big business in concert with big government. Genuine free traders consider exports a means of paying for imports, in the same way that goods in general are produced in order to be sold to consumers. But the mercantilists want to privilege the government business elite at the expense of all consumers, be they domestic or foreign. This new PNTR bill, rather than lowering government imposed barriers to trade, has become a legislative vehicle under which the United States can more quickly integrate and cartelize government in order to entrench the interventionist mixed economy.

- No Mr. Speaker and my colleagues, don't be fooled into thinking this bill is anything about free trade. In fact, those supporting it should be disgraced to learn that, among other misgivings, this bill, further undermines U.S. sovereignty by empowering the World Trade Organization on the backs of American taxpayers, sends federal employees to Beijing to become lobbyists to members of their communist government to become more WTO-friendly, funds the imposition of the questionable Universal Declaration of Human Rights upon foreign governments, and authorizes the spending of nearly \$100 million to expand the reach of Radio Free Asia.

- Mr. Speaker, I say no to this taxpayer-financed fanfare of `free trade' which fosters the opposite of genuine freedom of exchange and urge by colleagues to do the same.