

Mr. BONO. Mr. Speaker, I sometimes get upset to a point to where I feel that I have to at least speak out, especially when I cannot do anything about it.

The situation with Mexico and NAFTA and California is basically a disaster for California, and it is abusive. It is extremely abusive, and I was raised not to take abuse, and if somebody dished out abuse, I would always give it back, and that worked out well.

So now being here in Congress and seeing abuses inflicted on us by a country who has total disregard for our lifestyle and what we require and what we do, it rather infuriates me. But we have a treaty, a NAFTA treaty, and the way we must go about that legally to handle that is one story which I am very active on, but I consider it one of many abuses we get from Mexico.

However, today I rise for one specific, to speak on behalf of my bill to protect American consumers and produce farmers, H.R. 1232, the Imported Produce bill. This does not necessarily totally relate to Mexico, by the way, the Labeling Act of 1997. Consumers need to know the country of origin labeling. Almost every product is clearly labeled "made in China" or "made in Mexico" except the produce we eat. Every other type of food is labeled. Why not the produce?

Consumers want to know where the produce they eat is grown. Does the country of origin allow pesticides banned in the United States? Are they working under the conditions that are sanitary? Recent news stories of children being infected with hepatitis due to Mexican strawberries are a prime example of the risk imported produce can pose. Before that it was bacteria in raspberries from Guatemala. What is next?

But this is why this is not only a health issue. It is an economic issue. Since NAFTA, the total economic loss in the production of fresh winter vegetables has been nearly \$700 million. 200 farms have closed due to huge numbers of tomatoes imported from Mexico.

Without labeling, how can the consumer choose American produce over Japanese produce; how can they choose American produce over imported produce?

Anyway, I hate to read these things.

Anyway, my point is that our agriculture industry cannot compete now with Mexico because Mexico is not required to live up to the regulations that we must live up to. So therefore their product can come into our country, appear to be our product, undersell our product and cannot only be dangerous but also put industry out of business. This is another abuse that we must correct.

Most importantly, it seemed like last year I was hearing about school lunches from children that was considered the biggest travesty in the world, but now we are actually killing children with hepatitis from produce and that is sort of breezing by. I have a bill that calls for the labeling of produce. I

ask that all of my colleagues support my bill when it comes to the floor.

OUR SOARING TRADE DEFICIT CANNOT BE IGNORED

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 business cycle has not yet been repealed, but if we did the right thing in the Congress, I believe we could do a lot to alleviate the great harm done by the business cycle.

Mr. Speaker, artificially low interest rates are the culprit in the Government created boom bust cycle. Federal regulated low rates cause bad business decisions, confuse consumers and encourage debt. These distortions prompt market corrections which bring on our slumps.

In recent years the artificially low interest rates that banks pay on savings have served to reduce savings. In the 1970's savings were low because it was perceived that the money was rapidly losing its purchasing power. It was better to spend than to save. As money leaves savings accounts it frequently goes into stocks and bonds adding fuel to the financial bubble which has been developing now for over 15 years. Domestic and foreign central bank purchases of our treasury debt further serves to distort and drive interest rates below the market level.

Our soaring trade deficit is something that cannot be ignored. In January there was a negative trade deficit in goods of more than \$19 billion, the highest in our history. Our deficit has now been running over \$100 billion for several years, and the artificially strong dollar has encouraged this imbalance. Temporarily a negative trade balance is a benefit to American consumers by holding down price inflation here at home and allowing foreigners to finance our extravagance. These trends will end once confidence is shattered and the dollar starts to lose value on the international exchange markets.

The tragedy is that there are very few in Congress interested in this issue. Even on the Committee on Banking and Financial Services I hear very little concern expressed about the long term weakness of the dollar, yet economic law dictates that persistent negative trade imbalances eventually have to be corrected; it is only a matter of time.

I suspect in the next several years Congress will be truly challenged. The high level of frustration in this body comes from the fact that the large majority are not yet willing to give up the principles upon which the welfare state exists. Eventually an economic crisis will force all Americans, including Congress, to face up to the serious problems that we have generated for ourselves over the past 50 years.

I expect deficits to explode and not come down. I suspect the economy is

much weaker than is currently claimed. In the not too distant future we will be in a serious recession. Under these circumstances the demand for spending will override all other concerns. In spite of current dollar euphoria, dollar weakness will become the economic event of the late 1990's. Consumers and entitlement recipients will face the problem of stagflation, probably worse than we saw in the 1970's. I expect very few in Congress to see the monetary side of this problem.

The welfare state will be threatened, and yet the consensus will remain that what is needed is more revenues to help alleviate the suffering, more Federal Reserve monetary stimulus to the economy, more price controls, which we already have in medicine, higher taxes and protectionism.

Soon it will be realized that NAFTA and GATT were not free trade treaties, but only an international effort at trade management for the benefit of special interests. Ask any home builder how protectionist sentiment adds several thousands of dollars to the cost of a home by keeping out cheaper Canadian lumber in spite of NAFTA's pretense at free trade.

The solution to this mess is not complex. It is however politically difficult to overcome the status quo and the conventional wisdom of our intellectual leaders and the media. What we need is a limited government designed for the protection of liberty. We need minimal control over our Nation's wealth, not the more than 50-percent of government control that we currently have. Regulatory control in minutia, as we have today, must end. Voluntary contracts need to be honored once again. None of this will work unless we have a currency that cannot be debased and a tax system that does not tax income, savings, capital gains estates or success.

Although it will be difficult to go from one form of government to another, there will be much less suffering if we go rapidly in the direction of more freedom rather than a protracted effort to save the welfare state. Perestroika and glasnost did not save communism. Block grants, a line item veto and a balanced budget amendment will not save the welfare state.

THE ISSUE OF CAPITAL GAINS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DREIER] is recognized for 5 minutes.

Mr. DREIER. Mr. Speaker, I rise to expand on a couple of remarks made by my friend from Houston, Dr. PAUL, and to talk about an issue which I actually have raised twice here on the floor today, once during the 1-minute, and then I discussed it during the time that I was managing the noncontroversial rule that we had for consideration of the suspensions, and that is the issue of capital gains.

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My friend from Texas, Mr. PAUL, said that we should have no capital gains tax, and I happen to agree with that. But frankly, we need to begin moving in the direction of no tax on capital, and I am very pleased to have introduced, with the company sponsorship of many Members, my friend in Huntington Beach, Mr. ROHRBACHER, and many others, a bill, H.R. 14. It is called H.R. 14 because it takes the top rate on capital gains from 28 percent to 14 percent. I believe that this measure will go a long way toward increasing the take-home pay of working Americans.

Many people used to say that the capital gains tax cut was nothing but a tax cut for the rich, when in fact, we knew all along that by unleashing capital we could create jobs, increase the flow of revenues to the Treasury, but recent studies have shown that we not only can do those things, but on average, the take-home pay of working Americans will increase if we reduce that top rate on capital.

One of the things that people have also said who historically have talked about the capital gains tax cut as being nothing but a tax cut for the rich, there has been a realization that average Americans are saving a little more, and they are investing in some things, and we have found that there are 63 million American families that actually own mutual funds of the 90 million some odd families. So there is clearly a broad-based appeal and potential support for reducing the top rate on capital.

I say it is broad-based because on the opening day of this Congress, I was pleased that I was joined with Democrats and Republicans to introduce this. In fact, as initial sponsors on our side of the aisle, my colleague who serves on the Committee on Ways and Means, the gentleman from Pennsylvania [Mr. ENGLISH] joined me and we had actually three Democrats who joined. The gentlewoman from Kansas City, MO [Ms. MCCARTHY]; we had the gentleman from Texas [Mr. HALL]; and the gentleman from Virginia [Mr. MORAN], three Democrats and two Republicans on the opening day were the prime sponsors of this legislation to reduce the top rate on capital.

It is not targeted; it does not have the Government going in and selecting whose investment is taxed at a lower rate than someone else's, it simply reduces across the board, cutting in half that top rate.

What will this bring about? Well, we have today probably approaching \$8 trillion of capital that is locked in because there are widows who are concerned about the prospect of selling their home or other investment because it has appreciated in value. There are family farmers who are concerned about selling, because the capital gains tax rate is so high. There are small business men and women who very much want to sell, but they feel that they should not because that tax is so high.

It seems to me that a capital gains tax rate reduction is something that we could put into place to help ensure that we do not slip into recession. I see it as one of the best insurance policies to prevent us from going into recession.

Then as I alluded to a moment ago, the increase in the flow of revenues to the Federal Treasury which has happened every single time it has been done, reducing the top rate on capital gains in this century, would obviously, based on this empirical evidence, follow our reducing the top rate on capital.

Back in 1993 we found that if we had a 15-percent rate on capital gains, we could, over a 7-year period, increase the gross domestic product by \$1.3 trillion, create a million new jobs and generate \$220 billion in revenues to the Treasury. That comes about because we unleash that \$7 trillion to \$8 trillion that is locked in.

So a capital gains tax rate reduction is critically important in our quest towards a balanced budget, towards trying to deal with the national debt. And unlike the so-called family tax cuts that we continue to hear about, this would be permanent in that it would increase, as I said earlier, the take-home wages by \$1,500 for the average American family.

Mr. Speaker, we are up to, as of this afternoon, 118 cosponsors for this very important measure, and I would like to encourage the Speaker and my colleagues on both sides of the aisle to join as cosponsors of this very important measure.

SUPPORT FOR OUR NATION'S SPACE STATION EFFORT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. WELDON] is recognized for 5 minutes.

Mr. WELDON of Florida. Mr. Speaker, I rise to speak out in support of our Nation's space station effort. As most Americans are aware, we have been bending metal here in the United States and we are getting very close to putting aloft the first critical elements for the initial assembly of our space station; and as well, our international partners such as the Europeans, the Canadians, and the Japanese have invested billions of dollars in constructing their elements, and scientists all over the world, as well as school children all over the world, are looking forward to the first phases of this program.

Unfortunately, however, in the space station redesign conducted by the administration in 1993, the Russian government was placed in the critical pathway, what we call the critical pathway for space station construction and assembly. They were put responsible with Russian tax dollars for the construction of the service module, an element that has contained in it the life support, attitude control and propulsion capabilities.

Unfortunately, the Russians have not been paying for their part of the space station. They have demonstrated to the international community that they are an unreliable partner. Indeed, they have told us five times over the past year-and-a-half, I believe now six times over the past year-and-a-half that they will be putting the money into this program and they have failed to do so. As we all know here in this body, the Russians have very, very serious internal financial problems that have been created by their transition to a market economy, and they just do not have the rubles to pay their people to build their components to the space station.

Now, the reason I rise today is to call on the administration, and in particular, I call on the Vice President, AL GORE, to rise to the occasion and demonstrate to the American people that he has the kind of leadership ability that we expect to see in a national leader like him, and to step up to the plate and explain to us how he is going to redefine the Russian involvement in this program.

I do not believe this situation calls for another redesign of the space station. We have a good design as it is, and we need to stay on schedule and we need to make sure that this program is a success. But clearly, the Russians are not going to be able to be a full participant in the way that was originally defined. The time is ripe, the time is now, for the administration to come forward and, specifically for the Vice President, who has been tasked by the President to lead our Nation's space policy, it is time for the Vice President to step forward and explain to us how we are going to keep this program on track and to make it a success.

Now, let me just make very clear that I would like to see the Russians somehow involved, but they have to be removed from the critical pathway. We cannot have this program dependent on them anymore. We need to do what we can to keep them involved. They have a lot to bring to the table in their knowledge of space flight and their engineering, but we do not want them to be in the critical flow where our space station, the international space station is dependent upon them, because they clearly do not have the money to do that.

Now, there has been a proposal brought forward to take funds out of the space shuttle program and divert it into efforts to try to come up with a new interim control module that will serve as a fail-safe effort to make sure that this program is a success. I have very, very serious reservations about taking more money out of our space shuttle program. The space shuttle program has been cut drastically over the years. The space shuttle program has laid off hundreds, thousands of people in my congressional district, and that includes Kennedy Space Center,