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-minutes, 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.