

nothing to offer America's farmers. No plans. No solutions. No ideas. The budget that he has submitted so far suggests that agriculture's crisis will be taken care of out of something called a contingency fund. That sounds like it is tangential. Now, how exactly is that supposed to happen?

The President has talked largely about estate taxes, implying that farmers can leave their properties to sons and daughters. But what does that do to earn a living today and hold on for the rest of their productive years?

Anyone who saw the New York Times story this past weekend saw the heart-wrenching story about potato growers in Idaho facing their lowest prices in decades. They are worried about having an income. What will a tax cut do for them?

Then yesterday the President spoke on our Nation's energy policy. But, for agriculture, it was again the sound of silence. America has the ability to convert many of our crops into ethanol and biodiesel, throwing off the yoke of international fuel dependency. In fact, if we just converted our strategic petroleum reserve to a strategic fuels reserve and only fill 2 percent of it with biofuels, we would double the production of both ethanol and biodiesel in this country, helping to build that new industry from inside this Nation.

But the President did not mention it, not a word. But he did express his appreciation just yesterday to the OPEC ministers who agreed to hold price increases to only 7 percent for imported fuel. He thought that gesture by them was comforting. It is not comforting to me.

Mr. President, why do you not offer some comfort to America's farmers and ranchers and help them get their prices up the same 7 percent that you are willing to accept for oil? Why do you not help them develop new products like ethanol and biodiesel? Why do you not tell them what you propose to break them out of the cycle of dependency on government farm payments? Why do you not offer an agriculture policy that our farmers and ranchers can look toward the future?

Let me start in this way. America's farmers and ranchers need a new farm bill that gives equal footing to them in our global marketplace, starting out with contracting rights. We need a budget from the executive branch that addresses the farm crisis and positions American agriculture for the future.

We need to meet America's energy crisis with a major national commitment to biofuels. We must invest in new ways for farmers and ranchers to move their products to the market domestically and internationally. We need to restore a free market in agriculture and enforce antitrust laws.

We must give farmers and ranchers a place at the bargaining table in global trade negotiations, starting with the reform of NAFTA and the proposal for the free trade agreement of the Americas. We must launch a new home-

steading program that ties the chance to retain your farm or to own a farm mortgage and title to conservation and holding and preserving our arable land for future generations who will depend on it.

Mr. President, it is National Agriculture Day. Help us celebrate it by giving America's farmers and ranchers the respect and the attention they deserve at the highest levels.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Members are reminded to address their remarks to the Chair, not directly to the President.

MANIPULATION OF INTEREST RATES CAUSE ECONOMIC PROBLEMS

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, today the Federal Reserve lowered interest rates by a half a percentage point. They have been asked to lower this interest rates by just about everybody in the country. Whether they are investors or politicians, everybody literally has been screaming at the Fed and Alan Greenspan to lower the interest rates, lower the interest rates.

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It was anticipated that he would, and he did. He lowered the interest rates by 50 basis points. The stock market promptly went down 236 points. So obviously just lowering interest rates is not the solution to the problems we face. As a matter of fact, I believe it is the problem.

Interest rates have been manipulated by the Federal Reserve as long as I can remember, especially in the last 30 years since we have had a total fiat monetary system. So it is the manipulation of interest rates that causes a problem.

In a free market economy, you do not have a central bank pretending it has knowledge it does not have, that it knows exactly what the money supply should be and what interest rate should be. That is a prescription for disaster; and it leads to booms and busts, speculations in the stock markets, crashes in the stock markets. This is a well-known phenomenon. It has been with us since 1913, since we have had the Federal Reserve. We have seen it in the speculation in the 1920s and the depression of the 1930s. It is ongoing.

We have a responsibility here in the Congress to deal with this. We have a responsibility to maintain the integrity of the money. Yet we up that responsibility to a secretive body that works on its own, deliberating and deciding how much money supply we should have.

To lower interest rates, a central bank has to increase the money. That

is debasement. That is devaluing the money deliberately. In the old days, when the king would do this, they would clip coins. Literally coin debasement, stealing value from coinage in the old days was a capital crime. Today, though, it is accepted practice in all economies of the world. We have had no linkage of any currency of the world in the last 30 years to anything of real value.

The economies have functioned relatively well. But just in the last 6 years, we have had eight financial international crises, all patched together by more inflation, more printing of more money. Let me tell my colleagues, I am convinced it will not last, it will not continue.

Take a look at what is happening in Japan today. Japan lowered their interest rates, too. They have been doing this for a long time. They are down to 0 percent, and nothing seems to be happening. Their stock market is at a level it was 16 years ago. We have to decide whether or not we may be moving into a similar situation. I think it is a very serious problem.

We talk about interest rates. We talk about stimulating the economy. But we really do not talk about the problem, and that is the monetary system and the nature of the dollar.

The money supply right now is currently rising at the rate of 20 percent, as measured by MZN. This is horrendous inflation. This is inflation. Everybody says no, there are reassurances. The Federal Reserve and all the statisticians say there is no inflation. The CPI is okay and the PPI is okay. But there is inflation. Because if one increases the supply of money, one is creating inflation.

The most important aspect of that is the instability it creates in the marketplace. It does not always lead to a CPI increasing at 10 or 15 percent. Our CPI is rising significantly. We have other prices going up significantly, like education costs and medical care costs, housing costs. So there is a lot of inflation even when one measures it by prices.

But the real problem with the inflation when one allows a central bank to destroy its money is twofold. One, it creates an overcapacity or overinvestment, excessive debt that always has to be wiped out and cleaned out of the situation, or economic growth cannot be resumed. Japan has not permitted this to happen, and economic growth has not resumed. That is the most important aspect because that causes the unemployment and that causes the harm to so many people.

Now, there is another aspect of inflation, that is the monetary debasement that I have great concern about. That is, when it goes to extremes, it inevitably wipes out the middle class. It destroys the middle class. We are just starting to see that happening in this country.

Low middle-income earners, individuals who are still not on the dole but