

be done in a bipartisan way. We can only get important issues addressed in Washington, DC, if we work in a bipartisan way. That is what I have teamed up with Senator SNOWE for more than a year to do.

I hope, as I bring additional cases to the floor of the Senate and talk about the extraordinary suffering we are seeing among our seniors, that we can come together on a bipartisan basis to deal with this issue. I have spoken with Senator DASCHLE and Senator LOTT about it. I know Senator SNOWE is doing so as well. This is an issue to which every single Member of the Senate can point as an achievement if we come together and address it in a bipartisan way.

Towards that end, I intend to keep coming to this floor and describing these cases. I have believed since the days I was codirector of the Oregon Gray Panthers that this was an important issue to address. It becomes even more important by the day as these new drugs are key to keeping seniors well and keeping them from landing in the hospital and incurring greater expenses.

I hope seniors will take heed of this poster and send copies of their prescription drug bills to their Senators in Washington, DC, 20510.

I will keep coming to the floor of this body again and again urging bipartisan support on this issue. It is my top priority for this session, and it ought to be a top priority for every Senator.

I look forward to working with my colleagues to have this issue addressed in this session of Congress and give our older people meaningful relief from their prescription drugs bills.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

DAIRY

Mr. GRAMS. Mr. President, I take this opportunity to address concerns about the direction our country is taking in agriculture policy for our Nation. It has been very frustrating to me that our Federal dairy policy has been driven by what I can only describe as urban myths about the supposed benefits of dairy compacts in our country. These myths, just like stories on the street, have been repeated so many times in Congress that they are assumed to be true, despite their total lack of a factual basis.

I would today like to discuss the myth that dairy compacts are necessary to provide an adequate supply of fresh, locally produced milk to consumers. As I have said before, I believe this assertion is a deliberate attempt to mislead consumers into believing that if we do not have compacts, there may not be milk in the dairy case the next time they go to the grocery store. Perhaps the statement is not a total deception because it says that the dairy compact is designed to guarantee fresh, locally produced milk. But as we

enter the 21st century, we as consumers know that a product in the grocery store does not have to be produced locally to be "fresh." If it is produced locally, all the better, but we regularly go to the grocery store and buy fresh, perishable food that comes from all over the United States, including fruits, vegetables, meats, poultry, and any of a number of other foods. Similarly, fresh milk and dairy products can now be safely and rapidly shipped all over the country in refrigerated trucks—there is no need to restrict interstate trade in our country to guarantee fresh milk to our consumers.

One of the reasons that America thrives economically is because we allow individuals to produce what they are most skilled at producing. And this principle extends to geographic regions of the country. As an example, Americans buy most of their citrus products from Florida and California, cotton and rice from the South, and potatoes from the West. Economists call this "comparative advantage"—regions produce and sell whatever they are most efficient at producing, and everyone benefits because trade and efficiency is maximized. Lower price; better products to the consumer. It all seems very simple, but it is not allowed to work that way in our dairy industry.

The upper Midwest, due in part to its climate, low feed prices, and an abundant water supply happens to have a comparative advantage in milk and dairy products. However, unlike the rest of the country, it is not permitted to freely sell the product that it so efficiently produces. Instead, Congress has chosen to protect entire regions of the milk industry against competition from the upper Midwest through dairy compacts and/or outdated milk marketing orders.

Basically, in dairy, the Government is picking winners and losers, not who can produce the best, not who can be competitive, what area of the country it is. But under a Government program, the Government is saying who is a winner and who is a loser when it comes to the dairy industry.

Dairy compacts require that processors pay a minimum price for the milk they sell for fluid consumption. Compact proponents will claim that producers outside the compact region are not prevented from selling into the region, but for all practical purposes, this is exactly what it does. If you have a floor price, it eliminates the ability of lower cost producers to sell in that region. There is no incentive for processors to buy from producers outside the region because the price they pay is already set. So they are not able to buy at the lower price or more competitive supply, but because of the compact setting the price, that is where they buy it.

It is interesting that the argument that compacts are necessary to guarantee a supply of fresh milk to a region was also made to justify the unreasonable high support prices in the 1980s

that resulted as you will remember, in massive government purchases of surplus dairy products. The Federal Government spent \$2.6 billion on surplus purchases in 1983 alone, more than 12 percent of U.S. milk production. Congress consequently had to begin a dairy termination program which paid dairy farmers not to produce milk for 5 years.

Congress today is perpetuating the same myths as in past years, with the same predictable results of producer surpluses and higher milk prices to consumers. Upper Midwest producers could sell cheaper milk to consumers almost nationwide, but instead, not only can they not compete for markets outside the region, but their prices in cheese markets are depressed by the oversupply of production in the compact region that flood into the Midwest.

Finally, it appears that not only are dairy compacts not necessary to guarantee a fresh supply of milk to consumers, but they seem to only offer Government protection to dairy farmers within the compact area and guarantee decreased consumption by families due to the high milk prices. If something costs more, you sell less of it, and milk is no different. For example, in 1998, each consumer drank an average of 23.8 gallons of fluid milk products. That is compared to 56.1 gallons of soft drinks, 15 gallons of fruit juices, and 14 gallons of bottled water. Moreover, beverage milk consumption declined from 28.6 gallons in 1975 to 23.9 gallons in 1997. This is not a trend we can ignore. If we went to encourage milk consumption, we cannot do so by artificially raising the price and keeping less expensive, domestically produced milk out of the market.

As we begin the second session of the 106th Congress, I ask my colleagues to be truthful in the dairy debate and not perpetuate the falsehood that compacts are necessary to ensure a fresh supply of milk to consumers. There are, unfortunately, other dairy myths to be exposed, so you can look forward to me returning to the Senate floor to make sure Congress and the American people learn the truth about our Federal dairy policy.

We need some fairness in our dairy policy.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

LONGEST ECONOMIC EXPANSION

Mr. CONRAD. Mr. President, we have now reached a milestone in our economic history with the report the other day that our economic expansion is now the Nation's longest. We have now enjoyed economic expansion of 107 months. That is the longest economic expansion in our Nation's history. I thought it might be useful to reflect on some of the policies that have contributed to that success.