CONGRESSIONAL RECORD—HOUSE

Mr. Speaker, I will read from a few, the Wall Street Journal recently said not 2 weeks ago that compacts are “basically a highly regressive tax on milk drinkers, starting with school-aged children, creating them is a tacit endorsement of the OPEC cartel.”

There is the Consumer Federation of America, hardly a biased group, hardly a Republican group or hardly a Midwestern group, the Consumer Federa-
tion of America, which represents over 50 million consumers nationwide said not a month ago that regional dairy compacts give too much money to farmers who do not need the help, too little money to farmers who do need the help, and they asked consumers, especially the low-income consumers, struggling to feed their families and pay the rent to pick up the tab.

There is Americans for Tax Reform, which refers to compacts as dairy cartels.

There are groups like the Council for Citizens Against Government’s Waste, which says that this is a regressive milk tax on Americans; or the National Taxpayer Union, which said that the Northeast Dairy Compact is “a cartel that only a robber baron could admire.”

So it is not just folks from States like mine, Wisconsin. It is consumer groups, journalists, people really across the country, across the spectrum, who realize that the Northeast Dairy Compact was a bad idea. It has not gotten any better, and it should die a peaceful death.

Mr. Speaker, the gentleman from Wisconsin (Mr. GREEN) for yielding to me and thank the gentleman for his leadership on this very important issue.

People may ask, how did this ever come about? How did we get this dairy thing with only a few people working on a proposal on a national basis, and we do have tremendous problems in the dairy sector. We are losing dairy farms each and every day, and we must do something, but as long as we have a policy like the Northeast Dairy Compact, which pits State against State, region against region, farmer against farmer, we will not get that national policy.

Mr. Speaker, I think it is important to understand clearly I have an inter- est to support to all together on parklands or transportation systems or waterways; however, there is no precedent for price-fixing compacts evidenced in this situation.

Mr. Speaker, I yield to the gentleman from Minnesota (Mr. KENNEDY).
Orange juice. What if we decided that we are going to have an orange juice and let Florida just produce the amount of orange juice that they can consume in Florida. Or movies in California. Or you can go on and on and on.

I mean, this is ridiculous. It is un-American. It undermines where we have been in the past and what has made America strong in the past; that we are one country, that we do not have divisions among States. Our Founding Fathers were very nervous about that happening.

Why we would let this happen and undermine our strong dairy industry in Minnesota, Wisconsin, the upper Midwest and other States around the country is something that is beyond me.

It is something that, if American people understood this issue, they would be against it. If they understood, not just that they were being taken advantage of as consumers, but that one area of the country is going and pitting against another area of the country’s strength, they would be uprising and saying we want to end this. Certainly we do want to end this.

I appreciate the gentleman from Wisconsin (Mr. GREEN) reserving this hour to make sure that we can help educate the American people on this subject.

Mr. GREEN of Wisconsin. Mr. Speaker, I thank the gentleman for his comments. I think that the gentleman has pointed out what may be really the greatest tragedy from the Northeast Dairy Compact. Nobody wants to help dairy farmers more than I or the gentleman from Minnesota (Mr. KENNEDY). I mean, we came from dairy States which had the largest number of dairy farmers.

It is interesting, when we were debating dairy policy last year in this House, farmers from the northeast States got up and talked about how many dairy farms that their home States, their home districts have lost. I remember a good friend of mine from the northeast exclaim that his State had lost some 200 dairy farms last year.

I would like to put things into context for a moment. In my home State of Wisconsin, by this time tomorrow, by a quarter to 10:00 tomorrow night, Wisconsin will have lost four more dairy farms. We are losing four dairy farms each and every day. Over the last 10 years, we have lost 13,000 dairy farms. In fact, we as a State have lost more dairy farms than any other State in the country. One of the gentlemen from Minnesota (Mr. KENNEDY).

There is no one, no one wants to do more for dairy than those of us who represent States like Minnesota and Wisconsin. But we understand that to fix dairy problems, to meet the challenges, to be successful, to be compassionate, we have to have a national dairy policy, one that works all across America.

The Northeast Dairy Compact rewards some dairy farmers. In fact, it encourages them to overproduce and harms others. It pits farmer against farmer, State against State, region and region. That cannot be good.

As I talked to farmers in my home State and dairy farmers from all across America, they understand that one cannot have a policy that pits farmer against farmer. We cannot meet our challenges if we are divided and fighting amongst ourselves.

The system that the gentleman from Minnesota (Mr. KENNEDY) described is Stalinesque. I mean, I think the problem that we have had, so many of us who are so opposed to the Northeast Dairy Compact, is when we tell people how bad it is and we describe how it is set up, they do not believe us. They do not believe that, in America today, you could have such an absurd, illogical, irrational system. I am afraid, Mr. Speaker, it is true. Believe it or not, we do have such a system. It makes no sense. It does not work. It is, to put it kindly, a great distraction as we should be taking on so very many important issues.

Mr. Speaker, I yield to the gentleman from Minnesota (Mr. KENNEDY).

Mr. KENNEDY of Minnesota. Mr. Speaker, I would like to say that this dairy compact is kind of like salt in the wound for that area already being put in place by an underlying milk marketing system that, again, hurts the natural dairy producing States of this country.

When in the 1930s we implemented milk marketing orders, that was designed to make sure that fresh milk was available all over the country. It may have made sense back then; but right now, it divides milk into four classes, all of which receive a different price.

For the class I milk which we drink out of our glass gets 33 percent or more higher price than what we make in the cheese. Since we are primarily exporters of dairy, we convert about two-thirds of our production in our region into cheese; and, therefore, our farmers receive more than a third less already, just setting the dairy compact aside, for our milk production than those like the northeast that are producing primarily for fluid, milk.

So we are already being penalized by an unfair system that we have not been able to overcome because of the resistance of people in the northeast. We are already being penalized.

Then when they have one down, the dairy compact is really piling on. It is putting more milk on the market. So we are already only getting 60 percent of what we get, but that is not enough for us. We want more. We want to take more out of your income. We want to take more of your dairy farmers and put them out of business. We want to try to prop up what we have.

It really has not had that beneficial impact. They are still losing family farms in the northeast area. They are still not really having the benefits that they speak of at the same time that they are clearly penalizing us.

As the gentleman mentioned, Minnesota and Wisconsin. Many of the people I know, I live in a rural area of Minnesota called Watertown where there are many dairy farmers that go to our church. I have heard the names of dairy farmers in the last year that I know that have gone out of business. The milk marketing orders and the Northeast Dairy Compact are to blame for that.

The gentleman’s father, I know, is in the medical profession; and the first rule they learn is to do no harm. It would be good for us as legislators to know, to do no harm.

Well, this is clearly something that harms millions of Americans, favors a very small few, and it is something that we should stand up against. It is something that Americans should stand up against.

Write your Congressman wherever they may be and say this is something I do not believe in. This is something that undermines everything that I believe about America.

I ask my colleagues to oppose the dairy compact because this is just the first of many map here of those areas that want to go into dairy compacts. It includes just about every State in the country that is not a producer of dairy over and above.
Mr. GREEN. Again, I go back to my examples of cars outside of Michigan, citrus outside of Florida, movies outside of California. And if one decided that one cannot do financing, we put a wall around New York and say all of the financing outside of New York has to be self-sufficient, and, therefore, New York can only finance New York. Do my colleagues know what happened to Manhattan Island that could only finance loans that were being used on Manhattan Island? That is what kind of an effect this is having on Minnesota and Wisconsin and our other natural dairy states.

As the new republic says, this is a situation where we are penalizing those areas that are most suited to dairy farming. They received the lowest payments for their milk, and those from the least efficient regions received the highest. The system, by design, punishes the efficient farmers and rewards inefficient ones. This is not the way that America becomes strong and stays strong.

I urge our Members to vote against the dairy compact. I urge voters to contact their legislators and express their views on this very important subject.

Mr. GREEN. Mr. Speaker, I thank the gentleman, and he has made some great points. In our States of Minnesota and Wisconsin, we have a lot of dairy farmers though the numbers are obviously dwindling. But our dairy farmers, they know they are in a tough profession. They are in a tough way of life. The hours are long. They do not have vacations. One has got to milk every day.

All they are asking for is a chance to compete. The dairy farmers I talk to say, look, you know, we understand this is a tough business. Give us a level playing field. We will compete with any dairy farmers in the world.

The problem is that, with the Northeast Dairy Compact, we do not give them that fair chance to compete. We set them up to fail right off the bat, and that is wrong.

Can my colleagues think of any other commodity that we treat like that? The gentleman from Vermont (Mr. SANDERS), who loves to talk about how we should be on the side of the little guy, he talks about how corporate interest dominate this Congress. Well, the gentleman from Vermont (Mr. SANDERS), my good friend, if he wants to help the little guys in dairy farms, he should abolish the Northeast Dairy Compact. It punishes the family farm. It makes it worse. It makes it harder for them to get by, and it rewards the largest farmers.

So even if this starts with noble intentions, the stark reality is it has not worked. It is time to end it. It is time to go to a nationwide policy that does not pit farmer against farmer. It is time for a national policy that works.

Mr. Speaker, I yield to the gentleman from Minnesota (Mr. KENNEDY).

Mr. KENNEDY. Mr. Speaker, I would just say that we are going to be debating foreign trade and giving our President trade promotion authority coming up here very soon. We benefit from open markets and the benefits that we receive from trade.

Classic economics would teach us that, if we can do something better than someone else, and we each do what we do best, we all benefit. We all benefit from higher employment, higher income levels. The increased prosperity around the world has really sprung from countries opening up their markets and each focusing on what they do best.

If foreign trade is so beneficial to the world, if opening up markets with other countries is so beneficial to us, why should we have open markets with Europe, with Asia, if we cannot even have open markets with Vermont? Again, I have to go back to what you have said. When you tell people about trade, they cannot see how they are used to being pitted against each other when the Packers play the Vikings, and we are used to having our rivalries; but we all come together when it comes to singing that national anthem at the beginning of our games. This does in a nonsportsman-like fashion pit one region of the country against the other in a very unfair way that undermines one region’s strength and subsidizes another region that does not have those natural strengths when in fact they have natural strengths that are still benefiting them, but they are not letting us benefit from our natural strengths.

Again, this is something that I implore our colleagues to do everything they can to oppose and certainly we will continue to try to spread the message across the land, that this is something that is un-American and should not be supported.

Mr. GREEN. Mr. Speaker, I yield to the gentleman from Minnesota (Mr. KENNEDY).
goods, we have barriers between our own States? We have tariffs between our States. How can we in all seriousness of our trading partners in the eye and tell them that they have to do more to open up their markets to our goods when it would be so easy for them to say, Mr. President, why is it that in dairy, you have barriers between your own States? It makes no sense. And at a time when we are trying to open up markets, how can we be restricting markets in our own country?

One other area I would like to touch upon briefly tonight, and I appreciate the indulgence of the listeners tonight. I come from a dairy State, the gentleman from Minnesota comes from a dairy State, this is a matter of great interest to him, of great interest to so many. We are also live and people in the dairy sector; but even if you are not part of the dairy sector, even if you are not from a dairy State or even an agricultural State, this will affect you.

A recent study suggested that consumers in the Northeast Dairy Compact States are overcharged for the price of milk by about $100 million each and every year. The price of milk is artificially high as a result. It is interesting. Many of our colleagues want to expand the New England compact, they want to expand it and create a southern compact. One study suggests that if a southern compact is created, it would raise the price of milk by at least 15 cents a gallon. It would cost consumers $500 million a year at the very least. That is a conservative, modest estimate.

The Northeast Dairy Compact is a tax on milk. It raises the price of milk. It takes one of our most nutritious products and makes it more expensive. It raises the price of milk. It raises the price of milk, but it damages the very nutrition programs that we are struggling so hard to find money for. Families with low incomes who utilize food stamps, Meals on Wheels, the dollars that we spend for those terribly valuable programs do not go as far because of what we have done to the price of milk. We are discouraging people from consuming milk, and we are making milk more expensive for those low-income families. That is outrageous. Even if you are not from a dairy State, even if you are not from an ag State, you cannot support a tax on milk. You cannot support taking one of our most nutritious products and making it less affordable. It is just wrong. We cannot do it. We must not do it. It is the wrong thing to do, and it is something that I implore.

I implore our colleagues from all around the country, we represent diverse districts, but whether you come from an ag district or not, end this outdated, foolish experiment. It has not worked. It has done so much damage. It has cost so many farmers their livelihoods, many much more expensive. It is time to end it. It is time for it to expire. It is time for us to develop a national dairy policy. We can develop a policy that rewards farmers for what they produce, that creates competition, that raises the amount that they receive but keeps the price to consumers low and affordable. We can do it if we come together.

I appreciate the gentleman from Minnesota so much for joining me this evening. I offer him the opportunity if he has any final thoughts that he would like to share.

Mr. KENNEDY of Minnesota. I will just close by saying the gentleman has talked about the broader sense of consumers in the dairy sector; but even if you are not part of the dairy sector, even if you are not from a dairy State or even an agricultural State, this will affect you.

But this is an example, an unprecedented example of the tyranny of a minority by the majority. Those who believe in our government, those who believe in civil liberties should not idly look and watch where our region of the country, just because we have fewer congressional votes here in the upper Midwest, can be penalized by another area of the country without really repute. Again I must emphasize that this ought to be opposed. We implore our listeners and our fellow colleagues around the country that believe in civil liberties should not idly look aside and watch where one region of the country is artificially high as a result. It is in the interest States are overcharged for the consumers in the Northeast Dairy Compact really is. And at a time when we are trying to open up markets, how can we be undermining America?

Mr. GREEN of Wisconsin. I appreciate the indulgence of the gentleman from Minnesota in this area. Again, he may be a new Member; but he is already showing great leadership, particularly in agricultural issues, and I know the issues that are important to rural Wisconsin.

I guess to summarize, what we have started tonight, Mr. Speaker, we hope is an important stride in an educational effort to help our colleagues here in this institution and the people around the country to understand what this bizarre thing called the Northeast Dairy Compact really is, what has been called the OPEC of milk. It is bad because it raises the price of milk, it is bad because it does not work, it does not prop up the dairy farms of America. In fact, it accelerates their decline. But this is a very special case. We can listen to groups like the Wall Street Journal or the Consumer Federation of America or Americans for Tax Reform, the New Republic Magazine, the National Review. How many times do you get the New Republic and the National Review to agree on something? Citizens Against Government Waste, the National Taxpayers Union. Group after group has said to us and we are saying to you, this is wrong, it is bad public policy, it is time for it to end so we can move forward.

PAYING HOMAGE TO A SPECIAL GROUP OF VETERANS. SURVIVORS OF BATAAN AND CORREGIDOR

The SPEAKER pro tempore (Mr. SHUSTER). Under the Speaker’s announced policy of January 3, 2001, the gentleman from California (Mr. ROHRABACHER). Mr. Speaker, I rise tonight to pay homage to a special group of veterans. As all vets, all World War II survivors, they sacrificed for their country. But this is a very special group of veterans, a very special group of veterans from the Second World War. They are special in that their fight for justice continues to this day. They fought for us, but their struggle goes on and goes on. Instead of fighting the militarists of Japan, they today are forced to fight the lawyers of Japanese global business giants like Mitsubishi, Mitsui, and Nippon Steel. Instead of battling in the jungles, they are battling in the courtroom.

At the heart of the greatest that instead of having the American government on their side, these heroic veterans find themselves arguing in legal battles against representatives of their own government. This is the story of the American survivors of Bataan and Corregidor, some of the most heroic of America’s defenders in the Second World War. When they were captured, they were forced to serve as slave labor for private war profiteering Japanese companies. They were deprived of food, medicine, often even clean water. They were used as work animals and treated as animals. The Japanese companies that worked these Americans, they worked them often to death, violated the most basic standards of morality, decency and justice.

But most important, these Japanese corporations violated international law. They were accomplices to war crimes. Some of them even committed those war crimes. Instead of righting wrongs and admitting mistakes and putting the past behind them, like many German companies have done, these Japanese corporations have stonewalled efforts to bring justice to