

to working with the gentleman and the rest of the Congress on some very positive solutions.

Mr. HAYWORTH. Just one note in closing, Mr. Speaker. Very soon we will move past the rhetoric, and we will have to roll up our sleeves and make it happen. The administration has put out a plan.

I cannot help but think about the holiday we are about to celebrate and observe, the independence of this country. A new biography of our second President John Adams has been written. In the final year of his life and the final days, a committee of men from his home State of Massachusetts went to visit the second President, at that time his son was President of the United States, and they asked John Adams, Mr. President, would you like to propose a toast to the country you helped to found? And he stood up there, stiff-legged, still the strong voice, and he offered two words: "Independence forever." They said, Mr. President, do you want to add anything else to that? And he said, no, not a word, that suffices.

Indeed, not only in the tradition of this constitutional Republic, but for the future of a sound energy policy with an enlightened environmentalism, let that again be our cry: Independence forever.

Mr. RADANOVICH. Mr. Speaker, I want to thank the gentlewoman from New Mexico and gentleman from Arizona and the gentleman from Georgia for participating in this special order.

#### OPEC OF MILK

The SPEAKER pro tempore (Mr. SHUSTER). Under the Speaker's announced policy of January 3, 2001, the gentleman from Wisconsin (Mr. GREEN) is recognized for 60 minutes.

Mr. GREEN of Wisconsin. Mr. Speaker, we will not take all that time this evening, but I wanted to talk about a subject that probably many people out there tonight have never heard of yet and, I would suggest, adversely affects millions of people.

It is something that was recently described by the Wall Street as the OPEC of Milk. It is a price-fixing cartel for milk that hurts families all over the country, especially those who are least able to pay for it.

The history of the OPEC of Milk, the Northeast Dairy Compact, is somewhat interesting. Back in 1996, a small group of New England Members of Congress formed something called the Northeast Dairy Compact. The way it was authorized was not to bring it to the floor of the House or to the floor of the Senate for a vote, but, instead, they were able to sneak it into a conference committee report under an appropriations bill.

Now, their intentions were sound. They believed back in 1996 that this

cartel that they created, the Northeast Dairy Compact, would, in their words, help stop the loss of family farms in six New England States by guaranteeing a minimum price for milk. That sounds harmless enough. I was not here at the time, but had I been, those sentiments are certainly ones that we all could have supported.

I would suggest to you, Mr. Speaker, and to those who are listening tonight, that those good intentions went awry a long time ago, and that the OPEC of Milk has done tremendous damage not only to our dairy system and to dairy farmers in New England and all over the country, but also to so many families who are trying to afford the great nutrition that we have in our dairy products.

The reason that this is so timely is that the Northeast Dairy Compact is due to expire in September of this year. This compact clearly could not stand on its own merits, and so we have had some of its strongest supporters, particularly Senator JEFFORDS over in the Senate, saying that he understands how unpopular it is. He implicitly understands how bad it is, but he has said that he is bound and determined to get this reauthorized, passed in September no matter what it takes.

In fact, he told the Associated Press not 3 months ago that his goal would be to "sneak it in through the stealth of the night. And to get it through when people are not looking."

Mr. Speaker, the Northeast Dairy Compact should die a peaceful death in September. First, it has not met its goal. It has not stopped the loss of family farms, not even in the New England States that are part of this compact.

Second, as we will talk about tonight, the Northeast Dairy Compact has raised the price of milk to consumers. It is what so many people have called a milk tax.

Third, the Northeast Dairy Compact has accelerated the loss of dairy farms in other States, States like mine, Wisconsin, States like Minnesota, those whose States together have the largest number of dairy farms in the Nation.

Finally, and perhaps, in my view, most damaging, the Northeast Dairy Compact has prevented us from dealing with our dairy problems 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 interest in this. I come from America's Dairyland of Wisconsin, but it is not just me, not just those in Minnesota and Wisconsin who believe that the Northeast Dairy Compact is an abomi-

nation. It is others, analysts, journalists.

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 Federation 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 is the New Republic Magazine, which said that the Northeast Dairy Compact was "a system that can best be described as socialism."

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 Minnesota (Mr. KENNEDY) is my good friend, and in his brief time here in the House has become a wonderful voice for dairy farmers in Minnesota. He is a true leader who I think is going to be a tremendous asset to all of us as we try to reform this outdated dairy system.

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

Mr. KENNEDY of Minnesota. Mr. Speaker, I thank 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 compact? The gentleman gave a little bit of the history, but the U.S. Constitution does allow States to enter into compacts upon passage of State laws and the consent of Congress. These consents have been granted in some cases to allow States to work together on parklands or transportation systems or waterways; however, there is no precedent for price-fixing compacts evidenced in this situation.

This is the only case where we have allowed a region of the country to set a price-fixing compact against other regions of the country, and how this affects us is if you have excess production of milk that you do not drink with cereal or otherwise, you generally turn that into cheese. So if there is excess production in the Northeast, they convert that into cheese.

For those major milk-producing States that include Minnesota and Wisconsin, but California, Idaho, Arizona, several others, that takes away from our cheese market. In fact, the Northeast Dairy Compact was fined \$1.76 million in 1998 for the extra amount of money that the USDA had to consume in buying extra production coming out of the Northeast.

They have since instituted just recently some type of supply management in the Northeast, but if you think of how un-American this is, let us just say we decided that we do not think that Michigan should be disproportionately producing so many cars, so we are going to have, the rest of the country, a non-Michigan auto compact where we are going to produce the autos we need outside of Michigan and let Michigan only produce the cars that they can use in Michigan.

□ 2145

Orange juice. What if we decided that we are going to have an other than Florida oranges compact where we are going to produce our own 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 strong 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 come 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, some of my colleagues 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 ever had save the State of the gentleman from Minnesota (Mr. KENNEDY). So 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 that, 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 wounds that are 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.

The class 1 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 archaic 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 piling on and saying, okay, you know, you 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 could name off 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 Americans, 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 northeast now, but I have a 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

their own needs. It includes everything other than just about Minnesota, Wisconsin, Idaho, California, other large dairy producing States.

Again, I go back to my examples of cars outside of Michigan, citrus outside of Florida, movies outside of California.

What 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 would happen 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 of Wisconsin. 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 Minnesota (Mr. KENNEDY) has just run through some of the examples of how crazy it would be. But not just the compact and the milk marketing orders. Think about our pricing system that we take milk, and we offer a different price to farmers based upon the use down the line of that product. That does not make any sense. I mean, it is the same cows. It is the same fluid. Yet, we treat it differently. In States like Minnesota and Wisconsin, because so much of our milk goes into manufactured dairy products, again, our farmers are losing.

As I began this evening, I said that, when this system was created, and it was, again, sort of slipped in in the dark of night in a conference committee report, it was done by some Members who really had the best of intentions. They wanted to reverse the decline of dairy farming in New England. But the sad news is it has not worked.

So I would appeal to my friends from the northeast to reexamine their support for the Northeast Dairy Compact, because if they believe that we need to take action to help dairy farmers, this is not it.

The Boston Globe last year did a really interesting study. They studied the States of Massachusetts and Vermont, and they looked at the effect of the Northeast Dairy Compact. Their study showed that, in the 2 years before the Northeast Dairy Compact was concluded, the State of Massachusetts lost 34 dairy farms and the State of Vermont lost 117.

Interestingly, though, in the 2 years after the compact went into effect, the State of Massachusetts lost 44 dairy farms, 10 more, and the State of Vermont lost 153. The compact is not working. In fact, the loss of dairy farms is accelerating.

It is interesting. If one goes beyond those two States to the entire New England region, one will see that 25 more dairy farms went out of business after the compact than in a comparable period before the compact.

What may be most painful of all and really distressing, since the most vulnerable dairy farms in America today are the smaller ones, 50 cows or less, the compact has actually accelerated decline in those farms, the small farms, those that are most vulnerable.

The Consumer Federation of America said recently that, because compacts pay farmers on a per-gallon basis, most of the benefits of this fixed price that they have go to the larger farmers who do not really need it.

I heard earlier this evening 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 guy in dairy farming, 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 started with noble intentions, the reality, 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 of Minnesota. 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 know, many of us know 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 having lower cost of goods. 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.

□ 2200

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 this, they cannot believe it. We 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 of Wisconsin. The gentleman from Minnesota is right that our two States have football teams that are great rivals. I guess the Northeast Dairy Compact would be like giving the Packers an extra player. Maybe we deserve it, but that is another debate. I think, though, that my good friend and colleague brought up a very important point when he talks about free and fair trade and the great emphasis that we are placing as a Nation and a people on opening up markets and on trying to promote free and fair trade. I think we understand the importance of commerce and growing this economy. But does it not seem just a tad hypocritical as we send our trade representative, even our President, all around the world and we ask, we demand, that he works to lower trade barriers, at the very time when we are trying to demand that these countries drop their trade barriers, have no tariffs, allow for the free flow of our

goods, we have barriers between our own States? We have tariffs between our States. How can we in all seriousness look 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 families who live and work 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, moderate estimate.

The Northeast Dairy Compact is a tax on milk. It raises the price of milk. It takes one of our most nutritious products, one of the best things that you can possibly give to children to ensure that they have the nutrition to grow strong and fast, and it raises the price. It not only 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 must end.

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 out-

dated, foolish experiment. It has not worked. It has done so much damage. It has cost so many farmers their livelihoods. It has made milk so 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, how this is hurting consumers. 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 aside and watch where one 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 as I began and leave as I began, when I talked about no other case is there where a State compact has been allowed to create the cartel, the OPEC that you opened with and have price-fixing and get away with it. This sets a very bad precedent for any number of other things that can come to a State near you and hurt your local economy, hurt your consumers and undermine the very freedoms and civil liberties upon which this country was based and is based.

Again, I thank my colleague from Wisconsin for the leadership that he has taken on this issue. I pledge to work with him and our other colleagues around the country that believe very strongly that this is wrong, that this ought to be opposed. We implore our listeners and our fellow colleagues to really dig in and understand this and really understand how this is undermining America.

Mr. GREEN of Wisconsin. I appreciate the great work 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 America 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. Do not take our word for it. You 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 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) is recognized for 60 minutes.

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.

And the greatest irony is 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