

processor's offer or continue to pay prices based on Federal milk order prices set each month in their order. This is simply another risk-management tool that should be offered to all farmers. There is nothing that says a producer must take a processor's offer or that he cannot continue to be paid for his milk the way his grandfather's father was paid. The forward contracting provisions in this bill are completely voluntary.

The amendment to exclude fluid milk from the forward contracting provisions of this bill will leave the majority of my dairy-producing constituents without the same risk-management tools that others have. I represent a heavy Class I utilization area. I hear my farmers' complaints about price volatility very frequently. If they are not offered the same ability to forward contract as other dairy producers, they will be severely disadvantaged in their ability to manage their risk and lock in a price for their product.

Dairy cooperatives can offer their producers forward contractors, but the Agriculture Marketing Agreements Act of 1937 severely limits proprietary processors from offering producers forward pricing. This legislation is necessary to enable all dairy processors, cooperative and proprietary alike, to offer forward contracts.

Class I milk must be included in this bill's forward contracting provisions if we are to put the entire industry on an equal footing in helping farmers manage their operations profitably.

Oppose the Stenholm amendment and support the Dooley amendment.

The CHAIRMAN pro tempore. The Committee will rise informally.

The SPEAKER pro tempore (Mr. GUTKNECHT) assumed the Chair.

#### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate agrees to the report of the Committee of Conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1059) "An Act to authorize appropriations for fiscal year 2000 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes."

Mr. RYAN of Wisconsin. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. GUTKNECHT), a champion in the milk marketing reform debate.

Mr. GUTKNECHT. Mr. Chairman, I thank the gentleman for yielding me this time.

I want to see if I can put this into terms that more Members can understand. Last year, I was at the Houston County Fair, and I have done this at other fairs, but this was a specific example where I was meeting with some

dairy farmers and we were talking about dairy prices and I asked some of them, well, how much was your milk check last month. If you ask the farmers themselves, many times they do not know. But if you ask the farm wives, they can tell you. They know how much that milk check is month to month. What this debate is about is are we going to allow some of those people to take some of the bumps out of the road.

The reason I tell the story is last year and then again this year, we have seen prices go from \$20 a hundred-weight down to about \$12 a hundred-weight, and depending on the circumstances, either side of those two numbers. They are happy when the price is \$20 a hundred-weight, but they are all hurting when the price is \$12. We have seen this roller coaster ride.

What we are talking about is a risk-management tool whereby the dairy farmers, and let us talk about those farm wives, the ones who get the checks, who pay the bills, they are the ones who really know what is happening with the business end of most dairy farms; let us let them have that option, whether they go to the co-ops or whether they go to a for-profit producer or processor. Let us let them have the option of contracting.

So I rise in opposition to the Stenholm amendment; I rise in support of the Dooley language, because all we are saying is whether one sells their milk to a co-op or whether one sells their milk to a for-profit, they ought to have the option of taking some of those bumps out of the road. I say to my colleagues, the co-ops, in my opinion, have done a miserable job of advancing this basic notion. I think if people begin to understand it is available and if there is a competitive pressure out there, both the co-ops and the for-profits are going to move to help farmers utilize this risk-management tool.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. DOOLEY).

Mr. DOOLEY of California. Mr. Chairman, once again, I just want to touch on a few of the arguments that some of the supporters of this amendment have made in terms of it undermining the ability of farmers to participate in cooperative efforts.

I think as a Member of Congress, I probably am a member of more agriculture cooperatives than any other member of the 435 in our body. I market my cotton through a cooperative. We market a whole host of other products through cooperatives. I believe in the cooperative system.

But I also believe very strongly that as a farmer, I should have the right to voluntarily enter into a contract to market my product. And when we talk about this is undermining the cooperative system, there is nothing in the proposal that I am advancing that would undermine that.

What we are undermining, if we pass the Stenholm-Pombo legislation, is we

are undermining the right of a farmer; we are undermining the right of a farmer to voluntarily enter into a contract in order that they may be better able to manage the risks associated with the volatility in milk prices.

Now, that makes so much common sense that I, quite frankly, am surprised we are even having a debate on this issue. Why should we think that it is the appropriate role of government, once again, to deny farmers the right to enter into a contract. Could we imagine going into another sector of our industry and saying that we are going to deny the producer of orange juice or oranges the ability to enter into a forward contract with Sunkist who is a cooperative or Minute Maid and say, it is your right to enter into a forward contract if your oranges are going to be used for a fruit cocktail mix or something like this, but it is against the law for you to enter into a forward contract if you are going to sell your oranges for juice that is going to end up in the bottle for fluid consumption.

That is absolutely absurd. But yet, that is what we are trying to do with this amendment is that we are going to say that it is all right for a farmer to voluntarily contract to sell their milk for cheese or butter or powder but if they want to enter into that same contract to sell their milk as fluid production to end up in a bottle, we are saying it is against the law.

The Federal Government has no right to intercede in the affairs of a private entity and a farmer from entering into voluntarily a contract.

Mr. Chairman, I reserve the balance of my time.

Mr. Chairman, how much time do I have remaining?

The CHAIRMAN pro tempore. The gentleman from California (Mr. DOOLEY) has 30 seconds remaining.

Mr. DOOLEY of California. Mr. Chairman, I yield the balance of my time to the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Chairman, I yield 1 minute to the gentleman from Ohio (Mr. BOEHNER).

Mr. BOEHNER. Mr. Chairman, if I could follow along from the conversation of my colleague from California was having. Understand that under current law, dairy farmers cannot go out and sell their milk, because the Federal program, the Federal milk market order system says that one can only sell one's milk within a particular region for a particular price to a particular buyer. That is the first problem.

Then, with the amendment that we have on the floor currently we are saying that if one wants to have forward contracting, one can have it if one has Class II or III milk, but if one has fluid milk, one cannot forward contract. So we are forcing dairy farmers into a position where they only have one place to sell their milk and that is through their co-ops.

I am a big supporter of co-ops. I think they do an awful lot to help farmers of all different types. But we have corn producers, soybean producers, vegetable producers all over this country who do what every single day? They forward contract with buyers for their commodities.

Now, if it is good enough for all of these other commodities, why is it not good enough to allow dairy farmers the freedom to go out and contract on their own?

Mr. POMBO. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I would have to agree with the statement that the gentleman from Ohio (Mr. BOEHNER) just said, but I think it needs to be expanded upon a little bit so that all of my colleagues can understand the problem that we have.

Right now, it is not possible for a dairy farmer to go out and forward contract their milk with anyone except for their co-op.

□ 1245

What this amendment is doing is it is saying that two-thirds of the milk that is being produced, they will be able to go out and forward contract with anyone that they want.

The debate that we are having, and the Dooley amendment will bring up later, is whether or not to make it 100 percent of the milk or two-thirds of the milk. The problem that we have is that we do have a 60-odd-year-old law that the dairy farmers have become used to, that they have become dependent upon, and a certain amount of dependency has grown up around that current law that is on the books, so obviously there is a lot of fear when we get into any major change in the way milk is marketed.

If Members truly believe that forward contracting is part of the future for marketing milk in this country, then they have to support this amendment, because by doing it as a pilot program, by doing it on a somewhat limited scale is the only way we are going to be able to use this program, prove it works, prove to the dairy farmers that it is a tool that they need, that they should use for the future.

I believe that the only way we are going to see forward contracting in the future is if Members support this amendment and if they oppose the Dooley amendment later.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me address some of the points my colleague, the gentleman from California, just mentioned. The current law we have, which has been in place for 62 years, has been the primary reason why we have lost 11,000 dairy farmers in Wisconsin since 1990.

We have heard a lot over the last few months about giving farmers the ability to manage their own risk. Farming is a very volatile industry. There are ups and there are downs, and we need

to help farmers have the ability to manage their own risk, to make sure that they can survive from year to year.

This is what it comes down to. The coops can forward contract, so a farmer in a coop has that ability. The coops have a government-sanctioned competitive advantage over all other processors: They can forward contract. If we look at the coop literature, we will see they promote forward contracting as a wonderful tool of risk management.

What the Stenholm-Pombo amendment seeks to achieve is to stop anybody else from offering forward contracts. The coops want to keep their competitive advantage, so they are the only ones who can give forward contracts to the dairy farmer. What we are trying to achieve by defeating the Stenholm-Pombo amendment and by passing the Dooley amendment is simply this: Let the farmer decide if they want to or who they want to forward contract with.

If for one reason or another a farmer does not join a coop, a right they have today, why should we be denying them the ability to forward contract, which is the best management tool they have in their arsenal? What we are doing if we pass the Stenholm-Pombo amendment and defeat the Dooley amendment is basically telling that dairy farmer who for one reason or another is not in a coop, you are out of luck. You cannot forward contract. Forward contracting, as I think everyone is acknowledging here on the floor debate, is an excellent tool of risk management.

The coops are very big and they are getting bigger. I support coops. I have many in my district that I represent. However, as we are going to discuss in a future amendment, coops are not required to pay the minimum price for milk to their producers. So we have a system whereby the coops have a competitive advantage, being the only ones who can offer forward contracting, but it is also very interesting to note that the coops do not have to pay the minimum price of milk to their own producers.

So our farmers are being put into a catch-22. If they want this risk management tool, they have to join the coop. If they join the coop, they very well will not get the minimum price of milk. They might get prices below the minimum prices.

What we are trying to do is liberalize and give more freedom to the dairy farmer, give them the chance to self-contract, forward contract, on their own.

Mr. POMBO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the gentleman from Wisconsin is accurate in one aspect, and that is that current dairy policy is responsible for, one, putting a lot of dairy farmers out of business, and two, for keeping a lot of dairy farmers in business. It is inefficient. It has, I be-

lieve, all of the bad elements of what happens when government gets involved with regulating private business.

But having said that, I believe that it is extremely important that we continue on with the transition between a government-run, regulated dairy industry into a free market industry. One of the ways of doing that is by allowing forward contracting, by allowing individual dairy farmers to go out and contract for the future how much they are going to get for their milk.

I truly believe that the only way that we are going to advance that debate further, that we are going to advance the ability for dairy farmers to have the chance to forward contract on their milk, is by passing this amendment.

Having said, I ask my colleagues to support the Stenholm-Pombo amendment and to oppose the Dooley amendment.

Mr. STENHOLM. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I think one key point needs to be made. To all of those who oppose my amendment because of the complexities, because of the continuation of the Federal Market Order System, to those who also were interested in another referendum in the previous vote that we will be taking in just a moment, let me remind all of our colleagues, if they are concerned about what dairy farmers want us to do today, dairy farmers voted 90 percent plus in August to support the Federal Milk Marketing Order System, warts and all.

I repeat, if Members are concerned about what dairy farmers want us to do today, they preferred Option 1B with the Federal order system versus nothing, which the advocates will have an amendment to eliminate all of the dairy program as the last amendment today.

But the relevant point on this amendment, if Members are concerned about what dairy farmers in all regions of the country have already spoken loudly and clearly on in a referendum, in a vote, in which every dairy farmer, through their cooperative, had a chance to vote, they said, we prefer the Federal Market Order System versus nothing. That was the choice that was made.

That point needs to be indelibly in our minds today because a lot of the rhetoric we have heard today is talking about something that somebody other than dairy farmers would like to see done. That is something that I hope we will keep in mind as we support my amendment.

Personally, I am very nervous about even my amendment, the effect, but I am willing to try. That was the deal that I made with the gentleman from California (Mr. DOOLEY). I was willing to have an experiment, time-limited, to see whether or not we could use, in all milk other than Class 1, we could use forward contracting to enhance producer income.

I am still willing to try that. I hope my colleagues will join with me in support of my amendment, oppose the Dooley amendment, and let us get on with passing H.R. 1402, which is the overwhelming opinion of the overwhelming majority of dairy farmers in the United States what we should do today.

The CHAIRMAN pro tempore (Mr. GILLMOR). All time has expired.

AMENDMENT NO. 3 OFFERED BY MR. DOOLEY OF CALIFORNIA TO AMENDMENT NO. 2 OFFERED BY MR. STENHOLM

Mr. DOOLEY of California. Mr. Chairman, I offer an amendment to the amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment to the amendment.

The text of the amendment to the amendment is as follows:

Part B amendment No. 3 offered by Mr. DOOLEY of California to Part B amendment No. 2 offered by Mr. STENHOLM:

On page 2 of the amendment, beginning line 3, strike "that—" and all that follows through "is in" on line 6 and insert "that is in".

The CHAIRMAN pro tempore. Pursuant to House Resolution 294, the gentleman from California (Mr. DOOLEY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from California (Mr. DOOLEY).

Mr. DOOLEY of California. Mr. Chairman, I yield 1½ minutes to the gentleman from Texas (Mr. COMBEST), chairman of the Committee on Agriculture.

Mr. COMBEST. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, this is a simple matter of fairness. The authority in the bill reported by the Committee on Agriculture for dairy farmers to enter into private contracts with processors is completely voluntary. If the farmer decides they want to enter into a contract, it is agreeable to both sides, they can do so, completely voluntary.

According to the experts within the Department of Agriculture, it may be impossible to implement a forward contracted program if fluid milk is excluded. Therefore, I do support the Dooley amendment to the Stenholm-Pombo amendment.

Specifically, Mr. Chairman, the amendment that was offered by my colleague, the gentleman from Texas, seeks to make the authority to forward contract a pilot study. I can support that. Unfortunately, the amendment also says that unlike the farmers who sell their milk for manufactured dairy products, if they sell their milk to a bottler, fluid milk bottler, they cannot negotiate for a better price.

If the goal is to establish a pilot, I do not believe that it is wise to prohibit the farmer participation based on how that product will be sold. The authority for a farmer to contract for the sale of their product guarantees their income and ultimately reduces price vol-

atility that has plagued this industry and consumers. I do support the Dooley amendment, and if it passes, I support the underlying amendment.

Mr. Chairman, I believe it is responsible for us to give all of the possible options of marketing to all of our farmers to best provide them the best risk management they can possibly have in times of very depressed agricultural conditions.

The CHAIRMAN pro tempore. Does any Member seek time in opposition to the amendment offered by the gentleman from California (Mr. DOOLEY)?

Mr. STENHOLM. Mr. Chairman, I claim the time in opposition to the amendment.

The CHAIRMAN pro tempore. The gentleman from Texas (Mr. STENHOLM) is recognized for 5 minutes.

Mr. STENHOLM. Mr. Chairman, I yield myself such time as I may consume. Let me make another point for all of our colleagues here. There is nothing in my amendment that precludes any dairy farmer or any cooperative from negotiating a better price for fluid milk. Nothing in the amendment keeps them from doing that. What they cannot do is negotiate a price that is less than, less than the order price. That is why I oppose the Dooley amendment.

I will make a few observations. This is interesting to me, because California dairy producers do not vote in Federal referenda because they have a much better referendum in California, or at least that is what California dairy farmers say. Again, we have a very divided industry, and we have been through this for a long time. It is split almost fifty-fifty, between dairy farmers in California that have a different opinion.

But it is interesting, when we heard a moment ago that the price of milk can be produced for \$11 in California, and we talk about consumers, well, the consumer price for milk in Los Angeles is \$2.99 as of September 22, 1999. In Dallas, Texas, it is \$2.50. In Minneapolis, Minnesota, it is \$2.99.

Again, we have been hearing all about this profit, the pricing, and what we can and cannot let dairy farmers do. But the bottom line from the consumer standpoint, we cannot make a logical argument that the consumer is benefiting from the California price to the dairy farmer, but the dairy farmers in California that object to their system because they feel like they are being penalized is a valid one.

Again, let me remind my colleagues that the order and the rules of the Federal order that we are discussing were overwhelmingly approved in every region of the country. California did not vote because they are not a part of the Federal order system.

□ 1300

But every other region, 90 percent of the dairy farmers agreed that the federal order system, as imperfect as most of them believe it is, under the bill

that we attempt to correct today or the order of the USDA recommendation, 96 percent, 98 percent in the southeast, in the northeast 90.5 percent, 93.1 percent of the producers all across the Nation agree. They agree with the basic tenet of the amendment that I offer of a pilot project. As the chairman said, we are willing to try this to see whether or not it might work, but to do it in a limiting way.

To the argument of suggesting that this does not make sense, separating Class I and other classes, let me again remind my colleagues that the purpose of which I offer my amendment and the purpose of which the gentleman from California (Mr. DOOLEY) offers his are diabolically opposed.

I feel very strongly that if we allow individuals to contract in dairy, which is much different than we have in cotton, and I belong to a few cooperatives myself, but in dairy, if one has a large number who choose to contract out for another extra nickel, and one has a balancing problem in one's region in which suddenly one has milk that has to be moved somewhere at a loss, the folks that have made the contract benefit from this, and every other dairy farmer within the cooperative will be hurt accordingly.

Now, maybe that is not right. Some would say, and I guess the argument of those today and the proponents to my amendment say, that is the way it ought to be. But it is a fundamental change. I would submit to my colleagues, if they are concerned about dairy farmers, they cannot ignore the vote in August in which they said overwhelmingly we accept the warts of this because we believe doing without the program will do us more harm.

Mr. Chairman, I reserve the balance of my time.

Mr. DOOLEY of California. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. BOEHNER).

Mr. BOEHNER. Mr. Chairman, I thank the gentleman from California for yielding me this time.

Mr. Chairman, as has been pointed out earlier in this conversation, one of the real needs for farmers of all types in the current economic environment is better risk-management tools. One of the things we tried to do over the last couple of years and we will consider before this year is over is an expanded crop insurance package.

But what we are talking about in this amendment is empowering dairy farmers by giving them risk-management tools so that they can better manage the risk and the fluctuations in price on their own farm.

Now, the gentleman from Texas (Mr. STENHOLM) and the gentleman from California (Mr. POMBO) who have the underlying amendment are saying, well it is okay if one sells one's milk for cheese or for powder. We are going to allow one to forward market and contract that particular product. But if one is going to sell one's milk for fluid consumption to a bottler, let us say a

supermarket down the street, that is not okay.

Now, it defies me to understand why it is okay to have forward marketing for cheese and powder but not for fluid milk.

Now, we happen to be in a situation today where farmers last year, the dairy farmers, got probably, overall, the highest prices they ever received. This year, they are likely to get the second highest prices they have ever received.

What we are saying with this amendment is, even though we have got high prices, and maybe a dairy farmer would like to go out and lock in that higher price with his local supermarket, he is unable to do that under current law and under the underlying amendment.

That is why the amendment being offered by the gentleman from California (Mr. DOOLEY) I think makes all the common sense in the world. At a time of higher prices, why do we not empower dairy farmers themselves to go out and lock in a price for a substantial length of time if they want?

What we are basically saying with the underlying amendment is that dairy farmers are not capable of doing this on their own. Well, I think they are. They have done a marvelous job in surviving under a complex system for 62 years. If we begin to unleash the shackles that the Federal Government has put around them, my guess is that dairy farmers are going to have a great opportunity to succeed even more.

So I rise in support of the Dooley amendment and congratulate the gentleman from California (Mr. DOOLEY) for offering it, along with the chairman of the committee, in saying that let us empower farmers, let us make this common-sense reform that allows a dairy farmer to go out and protect himself and his family and most importantly his farm.

The CHAIRMAN pro tempore (Mr. GILLMOR). The gentleman from California (Mr. DOOLEY) and the gentleman from Texas (Mr. STENHOLM) each have 30 seconds remaining. The gentleman from Texas (Mr. STENHOLM) has the right to close.

Mr. STENHOLM. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I urge the strongest opposition to the Dooley amendment. It is basically whether my colleagues are going to vote with dairy farmers, as they have already told us by a 90 percent vote that they agree with my basic amendment, they oppose the Dooley amendment. I hope my colleagues will stick with the dairy farmers of America all across this Nation overwhelmingly. Ninety percent say let us stick with my amendment. Oppose the Dooley amendment. Support H.R. 1402.

Mr. DOOLEY of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in closing, I just ask my colleagues just to apply a little

common sense in their votes on this amendment. All we are asking for is to allow dairy farmers the ability and the right to enter into a voluntary contract to sell their fluid milk.

One cannot have a more compelling argument than was put in the information that was put out by the Dairy Farmers of America, one of our largest co-ops, when they were promoting forward contracting. They said, "For the first time in history, you can manage future price risks on your dairy using the same proven tools that have been available to other commodities for many years."

This amendment, the Dooley amendment, is going to provide those tools, those risk-management tools to dairy farmers. Let us give them the ability to manage prices in a volatile market.

The CHAIRMAN pro tempore. All time has expired.

The question is on the amendment offered by the gentleman from California (Mr. DOOLEY) to the amendment offered by the gentleman from Texas (Mr. STENHOLM).

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

Mr. STENHOLM. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to House Resolution 294, further proceedings on the amendment No. 3 offered by the gentleman from California (Mr. DOOLEY) to the amendment No. 2 offered by the gentleman from Texas (Mr. STENHOLM) will be postponed.

The point of no quorum is considered withdrawn.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN pro tempore. Pursuant to House Resolution 294, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: Part B Amendment No. 1 offered by the gentleman from Wisconsin (Mr. GREEN), Part B Amendment No. 3 offered by the gentleman from California (Mr. DOOLEY), and Part B Amendment No. 2 offered by the gentleman from Texas (Mr. STENHOLM).

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 1 OFFERED BY MR. GREEN OF WISCONSIN

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on amendment No. 1 offered by the gentleman from Wisconsin (Mr. GREEN) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 102, noes 323, not voting 8, as follows:

[Roll No. 430]

AYES—102

Armey	Hyde	Pascrell
Baldwin	Jackson (IL)	Payne
Barrett (NE)	Johnson, Sam	Peterson (MN)
Barrett (WI)	Kaptur	Petri
Becerra	Kasich	Pomeroy
Bereuter	Kind (WI)	Portman
Berkley	Kleczka	Pryce (OH)
Biggart	Kolbe	Ramstad
Blagojevich	Kucinich	Rogan
Blumenauer	LaHood	Rohrabacher
Boehner	Largent	Roybal-Allard
Boswell	Latham	Royce
Brown (OH)	LaTourette	Rush
Calvert	Leach	Ryan (WI)
Carson	Linder	Sabo
Chabot	Lipinski	Sanchez
Cox	Luther	Sanford
Crane	Maloney (NY)	Sawyer
Davis (IL)	Manzullo	Schakowsky
Davis (VA)	Markey	Sensenbrenner
Delahunt	Matsui	Sessions
DeMint	McDermott	Shays
Dooley	McIntosh	Shimkus
Dreier	Meehan	Souder
Evans	Menendez	Spratt
Ewing	Miller (FL)	Strickland
Frank (MA)	Minge	Stupak
Ganske	Moakley	Sununu
Goss	Napolitano	Tancredo
Green (WI)	Nethercutt	Thune
Gutknecht	Nussle	Vento
Hall (OH)	Oberstar	Visclosky
Hobson	Obey	Weller
Hostettler	Pallone	Wu

NOES—323

Abercrombie	Combest	Gonzalez
Ackerman	Condit	Goode
Aderholt	Conyers	Goodlatte
Allen	Cook	Goodling
Andrews	Cooksey	Gordon
Archer	Costello	Graham
Bachus	Coyne	Granger
Baird	Cramer	Green (TX)
Baker	Crowley	Greenwood
Baldacci	Cubin	Gutierrez
Ballenger	Cummings	Hall (TX)
Barcia	Cunningham	Hansen
Barr	Danner	Hastings (FL)
Bartlett	Davis (FL)	Hastings (WA)
Barton	Deal	Hayes
Bass	DeFazio	Hayworth
Bateman	DeGette	Hefley
Bentsen	DeLauro	Heger
Berman	DeLay	Hill (IN)
Berry	Deutsch	Hill (MT)
Bilbray	Diaz-Balart	Hilleary
Bilirakis	Dicks	Hilliard
Bishop	Dingell	Hinchey
Bliley	Dixon	Hinojosa
Blunt	Doggett	Hoefel
Boehlert	Doyle	Hoekstra
Bonilla	Duncan	Holden
Bonior	Dunn	Holt
Bono	Edwards	Hooley
Borski	Ehlers	Horn
Boucher	Ehrlich	Houghton
Boyd	Emerson	Hoyer
Brady (PA)	Engel	Hulshof
Brady (TX)	English	Hunter
Brown (FL)	Eshoo	Hutchinson
Bryant	Etheridge	Inslee
Burr	Everett	Isakson
Burton	Farr	Istook
Buyer	Fattah	Jackson-Lee
Callahan	Filner	(TX)
Camp	Fletcher	Jefferson
Campbell	Foley	Jenkins
Canady	Forbes	John
Cannon	Ford	Johnson (CT)
Capps	Fossella	Johnson, E. B.
Capuano	Franks (NJ)	Jones (NC)
Cardin	Frelinghuysen	Jones (OH)
Castle	Frost	Kanjorski
Chambliss	Gallegly	Kelly
Chenoweth	Gejdenson	Kennedy
Clay	Gekas	Kildee
Clayton	Gephardt	Kilpatrick
Clement	Gibbons	King (NY)
Clyburn	Gilcrest	Kingston
Coburn	Gillmor	Klink
Collins	Gilman	Knollenberg

Kuykendall Owens Snyder  
 LaFalce Oxley Spence  
 Lampson Packard Stabenow  
 Lantos Pastor Stark  
 Larson Paul Stearns  
 Lazio Pease Stenholm  
 Lee Pelosi Stump  
 Levin Peterson (PA) Sweeney  
 Lewis (CA) Phelps Talent  
 Lewis (GA) Pickering Tanner  
 Lewis (KY) Pickett Tauscher  
 LoBiondo Pitts Taylor (MS)  
 Lofgren Pombo Taylor (NC)  
 Lowey Porter Terry  
 Lucas (KY) Price (NC) Thomas  
 Lucas (OK) Quinn Thompson (CA)  
 Maloney (CT) Radanovich Thompson (MS)  
 Martinez Rahall Thornberry  
 Mascara Rangel Thurman  
 McCarthy (MO) Regula Tiahrt  
 McCarthy (NY) Reyes Tierney  
 McCollum Reynolds Toomey  
 McCrery Riley Towns  
 McGovern Rivers Traficant  
 McHugh Rodriguez Turner  
 McInnis Roemer Udall (CO)  
 McIntyre Rogers Udall (NM)  
 McKeon Ros-Lehtinen Upton  
 McKinney Rothman Velazquez  
 McNulty Roukema Vitter  
 Meek (FL) Ryan (KS) Walden  
 Meeks (NY) Salmon Walsh  
 Metcalf Sanders Wamp  
 Mica Sandlin Waters  
 Millender Saxton Watkins  
 McDonald Schaffer Watt (NC)  
 Miller, Gary Scott Watts (OK)  
 Miller, George Serrano Waxman  
 Mink Shadegg Weiner  
 Mollohan Shaw Weldon (FL)  
 Moore Sherman Weldon (PA)  
 Moran (KS) Sherwood Wexler  
 Moran (VA) Shows Whitfield  
 Morella Shuster Wicker  
 Murtha Simpson Wilson  
 Myrick Siskisky Wise  
 Nadler Sken Wolf  
 Neal Skelton Woolsey  
 Ney Slaughter Wynn  
 Northup Smith (MI) Young (AK)  
 Norwood Smith (NJ) Young (FL)  
 Olver Smith (TX)  
 Ortiz Smith (WA)

NOT VOTING—8

Coble Fowler Tauzin  
 Dickey Ose Weygand  
 Doolittle Scarborough

□ 1331

Messrs. FARR of California, GEORGE MILLER of California, RILEY, QUINN, BUYER, DIXON and CANADY of Florida changed their vote from "aye" to "no."

Messrs. ROGAN, RUSH and EWING changed their vote from "no" to "aye." So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated against:

Mr. OSE. Mr. Chairman, I was inadvertently detained and was therefore not present to vote today for rollcall No. 430. Had I been present, I would have voted "no."

PARLIAMENTARY INQUIRY

Mr. COMBEST. Mr. Chairman, parliamentary inquiry.

The CHAIRMAN pro tempore (Mr. GILLMOR). The gentleman will state his inquiry.

Mr. COMBEST. Mr. Chairman, I just wanted to make sure because there is some confusion. The next vote occurs on the Dooley amendment to the Stenholm amendment?

The CHAIRMAN pro tempore. The gentleman is correct. The next vote occurring will be a vote on the Dooley amendment to the Stenholm amendment.

AMENDMENT NO. 3 OFFERED BY MR. DOOLEY TO AMENDMENT NO. 2 OFFERED BY MR. STENHOLM

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on Amendment No. 3 offered by the gentleman from California (Mr. DOOLEY) to Amendment No. 2 offered by the gentleman from Texas (Mr. STENHOLM) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 155, noes 270, not voting 8, as follows:

[Roll No. 431]

AYES—155

Archer	Gutierrez	Pascrell
Armey	Gutknecht	Paul
Baldwin	Hefley	Payne
Barrett (NE)	Hilleary	Pease
Barrett (WI)	Hobson	Peterson (MN)
Barton	Hostettler	Petri
Becerra	Hyde	Porter
Bereuter	Inslee	Portman
Berman	Istook	Pryce (OH)
Biggart	Jackson (IL)	Ramstad
Bilbray	Johnson, E. B.	Regula
Blagojevich	Johnson, Sam	Rogan
Blumenauer	Jones (OH)	Rohrabacher
Boehner	Kaptur	Rothman
Boswell	Kasich	Roybal-Allard
Buyer	Kind (WI)	Royce
Callahan	Klecza	Rush
Calvert	Kolbe	Ryan (WI)
Campbell	Kucinich	Ryun (KS)
Canady	LaHood	Sabo
Capps	Largent	Salmon
Carson	LaTourette	Sanchez
Chabot	Leach	Sanford
Clay	Linder	Schaffer
Clement	Lipinski	Schakowsky
Combest	Luther	Sensenbrenner
Conyers	Maloney (NY)	Sessions
Costello	Manzullo	Shaw
Cox	Markey	Shays
Crane	Martinez	Sherman
Cummings	Matsui	Shimkus
Davis (IL)	McHugh	Smith (NJ)
Davis (VA)	McInnis	Smith (WA)
DeGette	McIntosh	Souder
DeLahunt	McKeon	Stupak
DeLay	Meehan	Sununu
DeMint	Menendez	Tancredo
Dixon	Miller (FL)	Terry
Doggett	Minge	Thune
Dooley	Moakley	Tierney
Dreier	Moore	Traficant
Duncan	Moran (KS)	Vento
Ehlers	Moran (VA)	Visclosky
Evans	Nethercutt	Wamp
Ewing	Ney	Waters
Frank (MA)	Northup	Waxman
Galleghy	Nussle	Weller
Ganske	Oberstar	Wilson
Goodlatte	Obey	Wu
Goss	Ose	Wynn
Granger	Oxley	Young (AK)
Green (WI)	Pallone	

NOES—270

Abercrombie	Barr	Boehlert
Ackerman	Bartlett	Bonilla
Aderholt	Bass	Bonior
Allen	Bateman	Bono
Andrews	Bentsen	Borski
Bachus	Berkley	Boucher
Baird	Berry	Boyd
Baker	Bilirakis	Brady (PA)
Baldacci	Bishop	Brady (TX)
Ballenger	Bliley	Brown (FL)
Barcia	Blunt	Brown (OH)

Bryant	Hoekstra	Pitts
Burr	Holden	Pombo
Burton	Holt	Pomeroy
Camp	Hoolley	Price (NC)
Cannon	Horn	Quinn
Capuano	Houghton	Radanovich
Cardin	Hoyer	Rahall
Castle	Hulshof	Rangel
Chambliss	Hunter	Reyes
Chenoweth	Hutchinson	Reynolds
Clayton	Isakson	Riley
Clyburn	Jackson-Lee	Rivers
Coburn	(TX)	Rodriguez
Collins	Jefferson	Roemer
Condit	Jenkins	Rogers
Cook	John	Ros-Lehtinen
Cooksey	Johnson (CT)	Roukema
Coyne	Jones (NC)	Sanders
Cramer	Kanjorski	Sandlin
Crowley	Kelly	Sawyer
Cubin	Kennedy	Saxton
Cunningham	Kildee	Scott
Danner	Kilpatrick	Serrano
Davis (FL)	King (NY)	Shadegg
Deal	Kingston	Sherwood
DeFazio	Klink	Shows
DeLauro	Knollenberg	Shuster
Deutsch	Kuykendall	Simpson
Diaz-Balart	LaFalce	Sisisky
Dicks	Lampson	Skeen
Dingell	Lantos	Skelton
Doyle	Larson	Slaughter
Dunn	Lazio	Smith (MI)
Edwards	Lee	Smith (TX)
Ehrlich	Levin	Snyder
Emerson	Lewis (CA)	Spence
Engel	Lewis (GA)	Spratt
English	Lewis (KY)	Stabenow
Eshoo	LoBiondo	Stark
Etheridge	Lofgren	Stearns
Everett	Lowe	Stenholm
Farr	Lucas (KY)	Strickland
Fattah	Lucas (OK)	Stump
Filner	Maloney (CT)	Sweeney
Fletcher	Mascara	Talent
Foley	McCarthy (MO)	Tanner
Forbes	McCarthy (NY)	Tauscher
Ford	McCollum	Taylor (MS)
Fossella	McCrery	Taylor (NC)
Franks (NJ)	McDermott	Thomas
Frelinghuysen	McGovern	Thompson (CA)
Frost	McIntyre	Thompson (MS)
Gejdenson	McKinney	Thornberry
Gekas	McNulty	Thurman
Gephardt	Meek (FL)	Tiahrt
Gibbons	Meeks (NY)	Toomey
Gilchrest	Mica	Towns
Gillmor	Millender-	Turner
Gilman	McDonald	Udall (CO)
Gonzalez	Miller, Gary	Udall (NM)
Goode	Miller, George	Upton
Goodling	Mink	Velazquez
Gordon	Mollohan	Vitter
Graham	Morella	Walden
Green (TX)	Murtha	Walsh
Greenwood	Myrick	Watkins
Hall (OH)	Nadler	Watt (NC)
Hall (TX)	Napolitano	Watts (OK)
Hansen	Neal	Weiner
Hastings (FL)	Norwood	Weldon (FL)
Hastings (WA)	Olver	Weldon (PA)
Hayes	Ortiz	Wexler
Hayworth	Owens	Weygand
Herger	Packard	Whitfield
Hill (IN)	Pastor	Wicker
Hill (MT)	Pelosi	Wise
Hilliard	Peterson (PA)	Wolf
Hinchee	Phelps	Woolsey
Hinojosa	Pickering	Young (FL)
Hoefel	Pickett	

NOT VOTING—8

Coble Fowler Scarborough  
 Dickey Latham Tauzin  
 Doolittle Metcalf

□ 1340

Mr. BENTSEN changed his vote from "aye" to "no." So the amendment to the amendment was rejected.

The result of the vote was announced as above recorded.

Stated for:

Mr. LATHAM. Mr. Chairman, on rollcall No. 431, I was inadvertently detained. Had I been present, I would have voted "yes."

AMENDMENT NO. 2 OFFERED BY MR. STENHOLM

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Texas (Mr. STENHOLM).

The amendment was agreed to.

The CHAIRMAN pro tempore. It is now in order to consider Amendment No. 4 printed in Part B of House Report 106-324.

□ 1345

AMENDMENT NO. 4 OFFERED BY MR. GUTKNECHT

Mr. GUTKNECHT. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore (Mr. GILLMOR). The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B Amendment No. 4 offered by Mr. GUTKNECHT:

Add at the end the following new section:

**SEC. \_\_\_\_ LIMITATION ON BLENDING OF PROCEEDS FROM THE COLLECTIVE SALES OR MARKETING OF MILK AND MILK PRODUCTS.**

Notwithstanding section 8c(5)(F) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)(F)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, or the consolidation of Federal milk marketing orders pursuant to section 143 of the Federal Agricultural Improvement and Reform Act of 1996 (7 U.S.C. 7253), effective beginning on the date of the enactment of this Act, the Secretary of Agriculture shall prohibit a cooperative marketing association referred to in such section 8c(5)(F) from blending the net proceeds attributable to Federal minimum prices of all sales or marketings of milk and its products in all markets in all use classifications in order to make distributions in accordance with the contract between the association and its producers. The prohibition does not prohibit the blending of market-based premiums.

The CHAIRMAN pro tempore. Pursuant to House Resolution 294, the gentleman from Minnesota (Mr. GUTKNECHT) and a Member opposed to the amendment each will be recognized for 20 minutes.

Does the gentleman from Maine (Mr. BALDACCI) seek the time in opposition?

Mr. BALDACCI. Yes, Mr. Chairman.

The CHAIRMAN pro tempore. The gentleman from Maine will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Chairman, I yield myself such time as I may consume.

The amendment that I am offering, I think the short title we should use: The Truth in Milk Marketing Amendment, and I do not think most Members, and I know that speaking for myself, I was not aware until just a few months ago that in fact, even though we have a milk marketing order system, that many dairy farmers around the United States, and I have a chart here, and this is a chart provided by the USDA; this is not a chart that we made up, but it talks about the average 1998 Federal order in the mailbox prices by the Federal milk marketing order system, and what it shows is, for example, in places like the Southeast and

the Southwest, even though the FMMO blended price was supposed to be one thing, the actual price, the average price, that dairy farmers in those regions was something less.

Let me just share with my colleagues some of the numbers. For example, in the middle Atlantic States, the price was supposed to be an average of \$15.17, but actually was only \$14.90. In Carolina, it was supposed to be \$16.14, but the price they got in the mailbox was \$16.08. Go down into the Southeast, and we start to see the real differences. For example, in the Southeast the FMMO price was supposed to be \$16.13, but actually the dairy farmers in that area got an average mailbox price of only \$15.36.

Now, Mr. Chairman, I think that that is evidence that there is something wrong with the system, and let me explain what is wrong with the system. In effect the co-ops are exempt from paying the minimum milk marketing order price.

All I am saying with my amendment is that whether one is a for-profit or they are a co-op, they have to pay the minimum blend price, and I think this is a consummately fair amendment. In fact, I would say not only do most Members not know that this is happening, I suspect that most dairy farmers do not know. I think if those of my colleagues are from different regions, if they ask their dairy farmers are they getting what the milk market order price is, most of them would say, well, of course. But in truth in their mailbox they are not actually getting it.

Reblending is not transparent. Producers do not know what happens to the money, how it is used, or what costs underlie the reblending amount.

Mr. Chairman, this is an important amendment. If my colleagues really care about the dairy farmers in our areas, then they ought to at least vote for this amendment and say that we are going to have truth in milk marketing whether they sell their milk to a co-op or they sell their milk to a for-profit processor.

Mr. Chairman, I reserve the balance of my time.

Mr. BALDACCI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment takes away the right of farmer-owned cooperatives to re-blend net revenues before distributing the proceeds of sales to cooperative members.

Dairy producers who join cooperatives do so in order to have a secure, reliable market for their milk 365 days a year. They look to the cooperative to market their milk and to build whatever facilities are needed to accomplish this, whether it be cheese, butter, or powder plants. The facilities either manufacture the farmers' milk into products or receive and store the milk for a day then ship to bottlers when it is needed. These facilities are part of the total marketing plan of cooperatives.

Mr. Chairman, dairy producers own these cooperatives lock, stock and barrel, expect the cooperatives to pay them what is left after the marketing and processing costs are covered both monthly and the milk check and any profits derived are paid at the end of the year in a thirteenth check. This sometimes is called reblending, meaning the cooperative may not always pay above the Federal order price in a given month but does pay out the dividends after all the marketing costs are covered.

Farmers give the right to reblend their cooperative because they want the cooperative to be a financially sound and viable business entity that can guarantee that market year round in times of surplus production as well in times that are tight. This right of reblending is vital to the type of cooperative dairy supply marketing and other entities. Mr. Chairman, taking away the right of the cooperatives to reblend, which this amendment does, severely restricts and limits the ability of the cooperative to assure the members of a secure market for their product.

This amendment interferes with the ability of a cooperative to run its business and pay its members. A similar proposal was defeated by a three to one ratio in the Committee on Agriculture during the markup of 1402.

Mr. Chairman, I reserve the balance of my time.

Mr. GUTKNECHT. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota (Mr. MINGE).

Mr. MINGE. Mr. Chairman, I am pleased to join my colleague on a bipartisan basis in supporting this amendment. This amendment illustrates one of many very complex, Byzantine features of dairy policy in the United States. There is probably no other area of Federal agricultural policy which has the flawed fundamental unfair characteristics that exist in the dairy programs. It is archaic, it flows from economic conditions that existed 65 years ago, it flows from problems that we had with refrigeration and transportation 65 years ago that do not exist today.

How can we in America be urging the rest of the world to engage in a market-oriented, free trade policy when we fail to recognize this policy in the dairy sector in our own country? It is absolutely crazy, it is shameless, and we have the same people in this Chamber that have been strong advocates and supporters of programs ranging from NAFTA, to GATT, to opening up trade with China, normal trade relationships with that country, even with Cuba, that are staunchly defending archaic dairy policies that are a throwback to almost the last century.

The time has come that we have to forthrightly address the problems of dairy policy in the United States, and when we tried to do that in Congress, we were told wait, let us give the administration the chance to do this, it

would not be as political, we would not be forced to vote on the basis of our constituencies.

So we gave the administration this option, and what has happened? The administration has come back with a policy, and now in this bill we are trying to defeat that policy.

Again, it is crazy, and what else is crazy about this? We see Members of Congress representing dairy farmers. The gentleman from Minnesota (Mr. GUTKNECHT), myself from Minnesota, the gentleman from Maine (Mr. BALDACCI) representing dairy farmers; we are squabbling with one another. And at the same time, people throughout this country know that American agriculture is in deep trouble; and this includes our dairy farmers.

Mr. Chairman, the economics of farming are destructive. They are consuming tens of thousands of American families every year, and here we are forced to scrap over the scraps.

If we expect to have a dairy policy and a food policy that serves the best interests of this Nation, Mr. Chairman, it is time to get rid of this archaic program, it is time to take amendments like that from the gentleman from Minnesota (Mr. GUTKNECHT) and pass them in this Chamber.

Mr. BALDACCI. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Michigan (Mr. SMITH), a member of the committee.

(Mr. SMITH of Michigan asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Michigan. Mr. Chairman, things are seldom what they seem. I mean everybody talking from both sides of the aisle wants to help our dairy farmers. Sometimes we see a difference between different areas of the country. That is why we argue about 1A and 1B.

On this amendment I would like to suggest that it may be well intentioned but what it does in effect is to prohibit co-ops from subtracting their cost of doing business as a co-op from the proceed of total co-op milk sales and then take what is left and distribute it to farmers.

So when the gentleman from Minnesota (Mr. GUTKNECHT) suggests we should have an amendment that forces every co-op to pay the Federal order price, then the question must be asked: How are the co-ops going to manage their affairs; how are they going to pay for the expenses of that cooperative? The effect on co-ops that do not enjoy an over-order price, (those co-ops that have not been able to negotiate a higher price than the Federal order price), would be to disallow the co-op from paying for their cost of doing business from milk sale receipts.

So by passing this amendment, we are going to put some co-ops out of business or otherwise jeopardize the co-op operation. The way it has been working for the last 40 years is to allow these co-ops to subtract their cost of doing business, and then divide up

what is left to their members. It is a reasonable way for these co-ops to continue to operate efficiently. I hope we vote down the amendment and keep co-ops strong.

Mr. GUTKNECHT. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin (Mr. GREEN).

Mr. GREEN of Wisconsin. Mr. Chairman, I thank my colleague for yielding time.

In response to the gentleman who spoke just before me, he pleaded with Members to keep co-ops strong; I think co-ops are doing just fine. I think that has become very clear today.

My colleagues are hearing a few recurring themes today. One of them is they are hearing over and over again through the amendments that are being brought forward, they are seeing a distinction between those who choose to stand up for family dairy farms and those who choose to stand up for large dairy interests.

Earlier today, we took away from dairy farmers the right to vote on this change in milk marketing orders, a right that they have had for 62 years. Today we took that away.

□ 1400

Just a little while ago, we denied to farmers, with respect to Class I fluid milk, the right to forward contract, the risk-management tool that so many other businesses have, that nearly every other commodity has. We have done that.

Today, with this amendment, what we are learning is that some co-ops, not all by any means, I am a supporter of co-ops, but at least some co-ops are underpaying family dairy farmers. That is the dirty little secret.

In fact, according to USDA, I am reading from a USDA publication here, farmers from New England, southeast Texas, and the Southwest plains were paid on average 80 cents less than the minimum milk price in their respective regions, solely because their co-ops are not required to pay producers the minimum price for their milk.

So what we are seeing today, at a time when we are all talking about how much family dairy farms are hurting, we are seeing that we have an opportunity to help them, to protect them.

Now those who sponsor and support 1402, they say that family farmers are in need of protection from food processors. They say that family farmers are in need of protection. The supporters of 1402 also say that family farmers need protection from the right to vote for themselves, but apparently they do not need protection from a few large co-ops which by every reasonable measure are underpaying them.

Mr. Chairman, if there were a movie theme to this vote today, it would be the Empire Strikes Back, because a few large interests are thwarting the needs, the concerns and the wishes of family dairy farms all across America.

Mr. BALDACCI. Mr. Chairman, how much time is remaining?

The CHAIRMAN pro tempore (Mr. GILLMOR). The gentleman from Maine (Mr. BALDACCI) has 16 minutes remaining.

Mr. BALDACCI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I will just take a few minutes of that 16 minutes and basically discuss the value of a cooperative. We have placed market forces in the world economy on top of small farmers. We have allowed small farmers to group together in terms of being able to get into a cooperative where similar farmers can pool their resources to be able to add value to their natural resources so that they can come up with additional resources so that they can stay on the farms and stay in farming. Those are the cooperatives that are giving small farms an opportunity to stay in business. Those cooperatives are not the empire strikes back. Those cooperatives are small, family independents getting together to pool their resources and to try to be able to compete in a processing world where they are adding value to those natural resources, something that we support.

We just had a small farms commission report come back and tell us that a lot of our policies that have been a part of our Federal Government over the years have encouraged farms to get bigger and bigger and bigger or get out of business.

This is one of the few areas in the recommendations, of 146 recommendations, that they said to work with farmer-owned cooperatives, to give them the tools and resources so that they can band together to add value to their natural resources, so they are not just dependent on fluid milk, so that they can try to process, add value to it; to compete in a global world market force and not just to allow individual farmers to go out on their own; to be able to negotiate prices with a dairy interest and large corporations, in some cases multinational corporations; to think that they are somehow going to get a fair deal and to purport that the small cooperatives, farmer-owned cooperatives, are somehow going to destabilize those market forces is not being accurate.

What we are referring to here is more like a credit union, in the international finance world, in allowing them to be able to have at least some opportunities to take care of the small farmers and be able to allow them to group together. That is what is being attacked today. The ability of them to be able to group together, to band together in cooperatives, to improve their marketing position is being attacked.

Milk receipts are the only source of revenue for farmer-owned dairy cooperatives; and under the amendment cooperatives would be unable to make investments such as milk trucks and milk processing equipment. This similar amendment was dealt with in the

committee, and I wish that the House would concur and vote down this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. GUTKNECHT. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Chairman, this amendment does not seek to do anything against the co-ops. It is not an anti-co-op amendment. It is a pro-farmer amendment. Since 1995, since we have been reporting mailbox prices, the following areas have consistently received less than the federal order blend price; the Southeast, the Southwest plains, Texas and the Great Basin regions. In most cases of these underpayments, they occur in an area where there is little competition for milk. In other words, there is basically one predominant cooperative. This is especially the case in the Southeast, in Texas and the Southwest plains where producers have few, if any, alternative markets.

Now, as cooperatives continue to consolidate there is a greater likelihood that dairy producers will receive less than the blended price, less than the price at the minimum. Now, this is the case. The gentleman from Maine (Mr. BALDACC) is right in saying that sometimes farmers do not have any choice but to go to a co-op.

Well, that monopoly and the ability to pay less the minimum price is precisely what is going on at the bottom line of American dairy farmers who are in the co-ops. So what we have in place today is a system where the beautiful irony of this bill, where we are trying to raise differentials for the very farmers in these co-ops, we have the co-ops who are paying below the minimum prices. It is because the farmers have nowhere else to go but to the co-op.

All we are saying with this amendment is, make sure the farmer who is in the co-op, who has nowhere else to go but the co-op, gets at least the minimum price for the milk they produce.

Now, the co-ops will say they need to pay below minimum prices for other needs, for other expenditures. Well, that is a very fuzzy, very gray area. We do not know where that money is going. We do know that that money is not going to the farmers who are enrolled in these co-ops.

The beautiful irony is this: this debate is about trying to fight for more money, more differentials, for dairy farmers in the co-ops. Yet we are supporting a system today that allows them to get less than the minimum price in the co-ops.

Mr. GUTKNECHT. Mr. Chairman, I yield an additional 2 minutes to the gentleman from Wisconsin (Mr. GREEN).

Mr. GREEN of Wisconsin. Mr. Chairman, I thank the gentleman from Minnesota (Mr. GUTKNECHT) for yielding additional time.

Mr. Chairman, in just a few days, or a week or two, this Congress will likely

pass a multibillion dollar bill designed to intervene and help struggling farmers. Yet, we have right before us, right now, an amendment that is a simple way to intervene on behalf of some farmers, those who have relatively weak bargaining power with respect to their large co-op. This is a simple, easy way to intervene and to make their lot better. It does not cost billions. It is not going to grab headlines, but it is a way that we can help out, a direct way, a simple way.

Let me also return to a discussion or a focus on the vote itself on this amendment. This is one of those amendments, in my view, that dairy farmers all across America will be watching closely when they see the results, because this is one of those amendments that really distinguishes a voting Member on which side they are on.

This one says whether one is on the side of a small dairy farmer with relatively weak bargaining power or whether or not one is on the side of a large co-op. In many cases, as my colleague from Wisconsin has pointed out, where they essentially have a monopoly, it cannot be both ways. My colleagues are for one or for the other, and when this vote is cast, dairy farmers will know.

Mr. BALDACC. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Chairman, oftentimes when we get into discussions like we have been going through on this amendment, I am reminded of the infamous words of Will Rogers when he observed that it ain't people's ignorance that bothers me so much. It is them knowing so much that is the problem.

When we start talking about the advantages and disadvantages of various dairymen in various regions, the numbers just do not hold up.

Several times today we have had it pointed out that the problem is with the Class I differentials. In the average mailbox price, which is what farmers put in their pockets every week, the average mailbox price last year for the whole year of 1998, in the upper Midwest, was \$15.29 in the region where the gentlemen who offered this amendment do reside, \$15.29; in the area of Texas where they object to the system of which we have a different advantage, \$14.82, 47 cents less.

Now, there are all kinds of different reasons for this. The complexities of the federal order have been discussed and quite amusedly because it is very complex, designed to be so because it is designed to do one thing and one thing only and that is price milk fairly, component by component, so that the farmers and the consumers within an order are treated fairly by something that can be repetitive week after week, month after month, year after year.

I am well aware that there will always be some of us farmers that will

feel like that we are being wronged by our cooperative, and that is true. Sometimes cooperative management is like individual farm management in which they do not make all the right decisions; but I really question, and I guess my opposition to this amendment as to most of the amendments today and something that we offer, as the gentleman said, when this vote is cast dairy farmers will know and recognize who is on their side.

Most of the dairy farmers in the region in which the gentlemen are talking have already spoken loudly and clearly in a referendum that they prefer the federal order system, works and all, they prefer 1-B over 1-A; but the bottom line is if farmers anywhere, any time, in the future, are going to do anything about price, it is going to have to come through cooperative effort, in the traditional sense in which cooperatives will do a better job of working for our dairy farmers than they currently are and in a nontraditional sense in which those of corporate America who have opposed parts of this legislation today are going to have a change of heart and to realize that cooperative effort can also mean them working with dairy farmers in order to see that the efficiencies of the marketplace will reward the producers as it does the consumers today.

That is what this is all about. I hope we will oppose this amendment, as we did the previous Dooley amendment, and we will continue in the quest of passing 1402.

Mr. GUTKNECHT. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, this amendment is just about basic fairness. If everyone has to play by the same rules and the rules are known upfront, business practices will change, and everyone will play by the rules. The problem with the system as it is today, we have one set of rules for the for-profits and another set of rules for co-ops. I do not know of any other game in America, baseball, football, pick the game, where some of the participants play by one set of rules and other participants play by a different set of rules. I think that is just unfair.

I do not care who is right or who is wrong. What I am just simply saying is that this is wrong, and I have to say to my friend and colleague, the gentleman from Maine (Mr. BALDACC), I do not know how anyone can go back to their constituents and say last year the federal milk marketing order price that should have been received was \$15.61 on average; but if milk was sold to a co-op, it was only \$14.89. I do not know how that is explained. I cannot explain that.

The same is true in Texas. I would say to the gentleman from Texas (Mr. STENHOLM), last year the average Texas milk producer should have received \$15.37; but because of a different set of rules, they received an average of only \$14.72. That is a difference of 65 cents per hundred-weight. Now, that may not

seem like much to those of us here in Washington, D.C.; but I will say if someone is out there milking 60 cows and getting up every day 365 days a year, 65 cents on average over an entire year is a lot of money, and that is the difference.

□ 1415

It gets even worse. In some parts of the country, the difference is as much as \$1.07 per hundred-weight of milk. Now, maybe people can go home and explain that. Maybe we can go home and say well, I know you are getting less for your milk than you should be under the milk marketing order system, but maybe one day you will get even, maybe one day you will get fair.

Mr. STENHOLM. Mr. Chairman, will the gentleman yield?

Mr. GUTKNECHT. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, it is the marketplace that makes the difference between Texas and the upper Midwest. It is the marketplace. It is not the Federal order that does that.

Mr. GUTKNECHT. Mr. Chairman, reclaiming my time, we are not talking about the difference between Texas and the upper Midwest. That is the big issue. We are talking about what the milk marketing order price is supposed to be in Texas as opposed to what actually farmers got in their mailbox.

The gentleman from Maine (Mr. BALDACC) made the comment, well, we are talking about small, farmer-owned co-ops. I just want to disabuse people of that notion. We are talking about very large co-ops. We are talking about co-ops with 40,000 plus members, co-ops that have assets of billions and billions of dollars. So we are not talking about small little creameries operating in the Midwest, we are talking about big businesses, and they are not paying the farmers the price that they are supposed to.

Mr. Chairman, the co-ops today control 82 percent of all of the milk processed in America today. This is not small business, this is big business.

This is really about fairness. It is about truth. It is about truth in milk marketing; and if we really believe in the milk marketing order system, I cannot understand why one could not vote for this amendment to make certain that every farmer, whether one lives in Texas or Maine or Minnesota, whether one sells their milk to a for-profit processor or whether one sells their milk to a co-op, one is going to get at least the minimum milk marketing order price.

It is basic fairness. It is saying the rules are going to be the same and that everybody is going to play by the same set of rules.

Mr. Chairman, I hope people will support this amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. BALDACC. Mr. Chairman, I yield myself such time as I may consume.

Just to go over the points that were made earlier in the debate, a cooperative is farmers banding together so that they have a place in the marketplace. Farmers individually do not have the strength that they do collectively. If farmers are going to be able to stay on their farmland and continue to do what they are going to be doing, all of the research shows us that we have to encourage farmer-owned opportunities of value-added in processing their products for a world marketplace. And we have to encourage farmers to band together and form cooperatives, so that they have an opportunity very similar to a credit union. The strength of the cooperatives is in the individual members.

This amendment seeks to destabilize that relationship and allow each member to fractionalize and go off on their own, and they are destabilizing the cooperative relationships and the financial soundness of that cooperative. We want to strengthen cooperatives. They are not forcing farmers to join them. Farmers do not have to join them if they do not want to join them. It only seeks to weaken the cooperatives, and this is the one opportunity that farmers have to stay on the farm and be able to raise their families in a quality of life that is second to none. This is something that farmers want to be able to do. This amendment seeks to weaken that.

I would encourage the membership in this body to vote down this amendment.

Mr. GUTKNECHT. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Minnesota (Mr. GUTKNECHT).

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

Mr. BALDACC. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to House Resolution 294, further proceedings on the amendment offered by the gentleman from Minnesota (Mr. GUTKNECHT) will be postponed.

It is now in order to consider Amendment No. 5 printed in Part B of House report 106-324.

AMENDMENT NO. 5 OFFERED BY MR. KIND

Mr. KIND. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B Amendment No. 5 offered by Mr. KIND:

Add at the end the following new section:  
**SEC. — NATIONAL POOLING OF CLASS I RECEIPTS UNDER FEDERAL MILK MARKETING ORDERS.**

Notwithstanding the terms of Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, the Secretary of Agriculture shall provide for the national pooling of receipts from fluid or Class I milk.

The CHAIRMAN pro tempore. Pursuant to House Resolution 294, the gentleman from Wisconsin (Mr. KIND) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I am offering an amendment that is very common sense and straightforward. None of us here today relishes having a debate where we have to pit region against region in this country, farmer against farmer, family against family. It should not be that way.

My amendment would establish a different way of approaching our national dairy policy, recognizing that there is going to be a need for support for small family farmers because of the volatility of the current marketplace. But it also recognizes there is no economic justification for a price differential based on any location of the country, and also based on what the milk is used for.

So what I am proposing in my amendment is a national pooling of the Class 1 differentials, what farmers receive for the milk they produce for consumption purposes. Class I differentials would be pooled and then equitably and fairly distributed to all of the producers, regardless of what region of the country they happen to be producing in. That would eliminate the need for this regional conflict, the constant struggle that we face perennially here in this Congress, of pitting farmer against farmer, and I think it is probably the fairest and most practical approach.

Mr. Chairman, I understand why the system was created during the Great Depression in 1937, to deal with milk shortages in other regions, but now with the interstate transportation system and refrigerated cars, we can transport milk across the country with relative ease so there is no further economic justification to continue the depression-era, government-controlled policy.

So, in an attempt to try to eliminate this regional conflict as it exists today and to treat all producers equitably and fairly, I am offering this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. WALSH. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN pro tempore. The gentleman from New York (Mr. WALSH) is recognized for 5 minutes.

Mr. WALSH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong opposition to this amendment which would do even further damage to farmers across the Nation than the Option 1-B does. It ignores one of the most important benefits of the milk marketing order program, and that is to ensure a stable supply of locally produced milk. This is an important aspect of dairy

policy since milk is very difficult to preserve over long periods of time, to ship over long distances, so the idea is to incent farmers in areas throughout the country where there is a need for Class I fresh fluid milk. Milk is very bulky, very expensive to ship long distances. Shipping milk over 1,000 miles would add approximately 30 cents a gallon to the cost, 25 percent of the average raw milk cost.

Also, it is important to note that regions of the country with the lowest Class I milk differentials like the upper Midwest have the highest farm milk prices, so that while, when we look at the price that the farmer receives throughout the country, on paper, it looks like the Northeast, Southeast receive higher differentials, and they do. The actual mailbox price that the farmer receives is highest in the Midwest. So this would further skew the payment to the farmer and to the detriment of farmers throughout the country.

So I would urge my colleagues to oppose this amendment, to stay with the base bill. It is a good approach to this issue. It has been demonstrated with the other amendments and the other votes we have had earlier today, there is strong support for H.R. 1402, and I would urge my colleagues to reject this amendment, stay with the main bill.

Mr. Chairman, I reserve the balance of my time.

Mr. KIND. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Chairman, I just want to refer to the comments of my colleague from New York just a few moments ago. I agree with virtually every point he made except the last one, and I do want to make a slight correction there. Let me also say at the outset, it is unfortunate that at the time when we really need dairy farmers working together to find new markets, new opportunities and more revenue, at the very time we should be working together, we have region pitted against region.

I just want to point out, the gentleman made mention of the fact that the average mailbox price in the upper Midwest is the highest in the country. That is not exactly correct. Our average price last year in the mailbox in the upper Midwest was \$15.27. In some areas, for example in Florida, the average mailbox price was \$17.43.

So there are differences. But here is what we are talking about, and this gets very complicated, and I am not sure I completely understand it. But we have 4 different classifications for milk. Class I milk is fluid milk that goes into bottles or containers that is milk for drinking. Class II is spoonable milk. That goes into ice cream and yogurt. Class III is cheese, and Class IV is powdered milk.

Now, we talked earlier today about why many of us think the system is unfair because it still is based on how far it comes from Eau Claire, Wisconsin. I

mean we can argue about that, but when we look at the chart, that is basically the way that the various categories come out. Worse than that, it is also priced on what it goes into. Now, because 85 percent of the milk we produce in the upper Midwest ultimately goes into Class III or cheese, we get a lower price. So we are closer to Eau Claire, Wisconsin and it goes into cheese, so we are punished twice.

Now, we are very efficient and the demand in the competition is higher in the upper Midwest, so in terms of mailbox we come out a little better than we would under the milk marketing order price system. But this is really about saying whether one's milk goes into cheese or whether it goes into yogurt or whether it goes into fluid milk, one ought to reblend those prices nationwide so that everybody gets the benefit of being next to a large market and the fluid market.

I think this is a fair amendment. I think it is reasonable, and I hope that we will adopt it.

Mr. WALSH. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas (Mr. STENHOLM), a member of the Committee on Agriculture.

Mr. STENHOLM. Mr. Chairman, here again, it is important that we stay focused on the bill. When we talk about one basing point, Eau Claire, Wisconsin, in the bill in both 1-A and 1-B, we change that, for the reasons of which the gentleman has accurately expressed that it no longer is applicable. That is done. That is what the Secretary recommended. We are changing the basing point to 3 in order that the Federal order and the manner in which it, as the gentleman has just accurately described, Class I, II, III, IV milk is priced fairly region-to-region, with some consideration being given to distances in order that the market system may work fairly for each of our 50 States. That is what this is all about.

The amendment of the gentleman from Wisconsin is another what we call a gutting amendment, because it attempts to undo that. It attempts to say that we are going to have one giant, big order, and for those that believe that that is the way it ought to be, I respect that. It is a very logical feeling from those that somehow believe that they are being unfairly treated with the current system.

But I would encourage the dairy farmers in the upper Midwest to listen carefully to their leadership, to look carefully as to whether or not if they should win, would they truly be better off? I think the answer is a clear no, a clear no. But, those who offer the amendment believe that it is a clear yes, and that is why we have votes on this floor.

I remind my colleagues again, particularly those from the upper Midwest, your dairy farmers voted 96.1 percent to accept the Federal order. Now, many of them perhaps prefer 1-B over 1-A, and that is a perfectly logical po-

sition for some to have in that region, given what they think they believe. But I will submit to you that there is very little proof anywhere that individual dairy farmers anywhere in the United States will do better if we vote this system out or particularly if we support this amendment.

□ 1430

So I would encourage a "no" vote on this amendment. The base bill takes into consideration most of what is being discussed and desired by this amendment, but not all. I would urge a no vote.

Mr. KIND. Mr. Chairman, I yield 2 minutes to the gentlewoman from Wisconsin (Ms. BALDWIN), a freshman Member of this House and someone who has distinguished herself as a real champion of family farmers.

Ms. BALDWIN. Mr. Chairman, the Kind amendment could end the regional fighting that we have endured for too long in dairy pricing. It would help every dairy farmer in every region of the country equally.

The amendment is simple. It would take all of the different prices that dairy farmers receive for their milk, depending on how far away they are from Eau Claire, Wisconsin, and combine those different prices into a pool. That pool would then be divided in equal parts and provided to each dairy farmer who participates in milk marketing orders.

Debate on this underlying bill has been painful. Every Member is trying to do what is right for the dairy farmers that they represent. I certainly respect that. We are pitted region against region in what could be called a dairy Civil War.

I sympathize with my colleagues whose States have seen their dairy farmers go out of business. My farmers are no different. In Wisconsin, we have lost 7,000 dairy farms in the last 6 years.

I have strong interest in assisting those from the Northeast, those in the South, fighting for the survival of the family dairy farm, but this underlying bill helps their farmers and harms mine, and that is simply wrong. The Kind amendment would end the unfairness of the underlying bill, allowing all dairy farmers, no matter where they live, to benefit equally in the Federal milk market order program.

We are the United States. We should not be the divided States when it comes to dairy policy. I urge support of the Kind amendment.

Mr. WALSH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I listened closely to the gentleman from Texas (Mr. STENHOLM), who I had the pleasure of serving with on the Committee on Agriculture when he chaired the Subcommittee on Livestock and Horticulture. He understands this issue as well as anyone does.

He is right, the underlying bill does not benefit the rest of the country at

the expense of the upper Midwest. This is basically a status quo bill that allows each section of the country to continue to garner the price for milk that they are receiving.

I do not understand how we got to this point, quite frankly. Regionalism has always been an aspect of dairy policy, because the cost of making milk in one part of the country is different from the other, so we try to overlay a Federal policy, and the same policy affects everyone differently, so this regionalism has always been there.

But what we have been reduced to this time around is that we have 48 States or at least 40 States being harmed to the benefit of two, if we do not accept the underlying bill. It makes no sense. It makes no sense at all. We have been interested in perhaps allowing compacts to be created. Thus far we have the Northeast compact, and no States have been allowed to join. The Southeast would like to form a compact, but that is not law.

We hear this cry of cartels, that they are collaborating to fix prices and harm the consumer. That is not true. The idea is to keep the price down in those areas with the consumers involved making the decisions, as opposed to two or three or four large processing companies setting the price of milk in a region. The idea is to provide that there is a fresh supply of fluid milk so that all areas of the country can grow their own, produce their own, and have it available on a fresh basis.

For years, for years the Northeast and the Southeast and West and Southwest suffered under a policy that allowed a small group, I refer to them as the Green Bay cabal, a small group of cheesemakers, to set the price. Every year we would get or every month we would get our farm report, and we would have to look to see what the MW price is to determine what the price of milk was going to be.

I asked somebody, this MW price, how is it created? Well, it was created when a group of five or six cheese manufacturers got together for coffee and doughnuts in Green Bay, Wisconsin, once a month, and set the price. How fair is that? So the idea here is to make sure that each area of the country has their own supply of milk. I do not think this amendment helps it.

I would urge my colleagues to support the underlying bill and reject this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. KIND. Mr. Chairman, I think it is altogether appropriate that I yield 2 minutes to my friend and colleague, the gentleman from Green Bay, Wisconsin (Mr. GREEN).

Mr. GREEN of Wisconsin. Mr. Chairman, I appreciate my colleague yielding me the time.

Mr. Chairman, with reference to the cheese exchange, the interesting thing is, guess what, we did away with the cheese exchange, something that the supporters of H.R. 1402 will not do. We

agree with them, that system was unfair. We ended it. I challenge the supporters of H.R. 1402 to do the same today, to join us in reforming this system.

This place is locked in a time warp. This place is using a milk marketing order system that was created in the era of the manual typewriter. This place is voting on a system that ignores any modern technology since then: the interstate highway system, refrigerated trucks, for Lords' sakes. Times have changed out in the marketplace, except with respect to dairy policy.

Nowhere in this country are dairy farmers hurting more than in Wisconsin and in Minnesota. But what we recognize is the system that pits farmer against farmer, State against State, region against region, cannot be the answer ever to America's challenges, America's problems. Those who seek to turn back the clock to 1937 belong to the Flat Earth Society. They fear the marketplace. They are afraid of competition. They are afraid of breaking down the Soviet-style pricing system.

Members are right, we did have a cheese exchange. We ended the cheese exchange. I would say here today that the supporters of H.R. 1402 should do the same thing, end this outdated system. Let the marketplace rule. We in Wisconsin do not fear it, we welcome the marketplace.

Mr. WALSH. Mr. Chairman, I yield back the balance of my time.

Mr. KIND. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I believe my amendment accurately reflects the position that the dairy farmers in the upper Midwest have on this whole issue. They are not looking for any special advantage. They are not looking for any competitive advantage over the rest of the country. They certainly do not want to visit any additional hardship on family farms, regardless of what region they happen to be living and working, breathing, and dying in.

But they have not heard to this day any economic justification for maintaining this Depression era policy which, as this map shows, is based solely on geography and distance from Eau Claire, Wisconsin, which is a beautiful city located in the heart of my congressional district. With today's modern transportation system, we can ship fluid milk around the country with relative ease.

That is what this amendment is meant to do, to end the regional fighting, to end the constant struggle where we pit farmer against farmer and family against family in this country, when it does not have to be that way.

We should support this amendment and have a national pooling mechanism in which the Class 1 differentials will be pooled and then distributed fairly and equally to each producer in the country, regardless of where they happen to be living and producing the

milk. That is why I brought this amendment forward, Mr. Chairman. I think it really gets to the crux of the whole debate that we have been having here. It certainly speaks to our producers' position back home, where they are not looking for an advantage anywhere, just the level playing field and the ability to compete fairly in our own domestic market without these artificial trade barriers prohibiting a free flow of goods within our own border.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. GILLMOR). The question is on the amendment offered by the gentleman from Wisconsin (Mr. KIND).

The amendment was rejected.

The CHAIRMAN pro tempore. It is now in order to consider amendment No. 6 printed in Part B of House Report 106-324.

AMENDMENT NO. 6 OFFERED BY MR. RYAN OF WISCONSIN

Mr. RYAN of Wisconsin. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 6 offered by Mr. RYAN of Wisconsin:

Add at the end the following new section:  
**SEC. . MAXIMUM CLASS I MILK PRICE DIFFERENTIAL.**

Notwithstanding the consolidation and reform of Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, effective October 1, 1999, the Class I milk price differential for all Federal milk marketing orders may not exceed \$2.27 per hundredweight.

The CHAIRMAN pro tempore. Pursuant to House Resolution 294, the gentleman from Wisconsin (Mr. RYAN) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to thank the gentleman for saying this is a status quo bill. That is exactly right, this is a status quo bill. I would like to briefly explain what my amendment seeks to accomplish.

What my amendment does, it would simply limit the amount of disparity between the highest and the lowest-paid producers in this country. This legislation would say that no producers would be entitled to a differential of more than \$2.27 per hundred-weight Class 1 fluid milk. This amendment would try to restore some of the fairness and equity of the USDA's proposed reforms. The \$2.27 is a simple average differential in the final rule proposed by the others, which is supposed to become effective October 1, 1999.

Now, while I cannot support forcing dairy farmers in my State and nationwide to live with the status quo, as H.R. 1402 would do, I believe that this

amendment would make an inequitable system more livable for the dairy farmers of the upper Midwest.

The farmers in the State of Wisconsin and the Midwest have lived far too long under a system that rewards inefficiency in low productive regions and discourages production in regions that are best-equipped to produce dairy products. It is a nonsensical system that served a purpose during the Depression era, when we had the horse and buggy, but does not work in today's era, when we actually have a car.

If we are going to ask farmers in my State and other upper Midwest States to continue living with this antiquated system, we have to give them some glimmer of hope that their hard work that went into reforming this system is not all for naught. These dedicated individuals should not be told that the work of the farmers in other parts of the country matters more than the work that they do.

Wisconsin has seen the departure of 11,000 dairy farms between 1990 and 1998. I was talking to a colleague of mine just at the last vote who was from New York who was complaining that over the last 8 years that person lost 20 dairy farmers. Well, Mr. Chairman, in Wisconsin we lost 20 dairy farmers in the last 5 days. Family farms are at stake here more than ever in Wisconsin and Minnesota.

Mr. Chairman, this amendment sends basically a strong message. It sends the message that farmers throughout this country should be rewarded with reasonable, equitable differentials. Currently, producers in Florida are rewarded with the differential payments that are twice as much as producers, say, in Minnesota are being paid.

How can this kind of a system be justified? A farmer in, say, south Florida, outside of Miami, is going to get twice the differential that a farmer doing the same job, having the same kind of herd, is doing in Minnesota?

If we really believe that in Florida it costs twice as much to milk a cow than it does in Minnesota, we owe it to the consumers of America to explain why this Congress would support paying a farmer in Florida twice as much to stay in business. This makes about as much sense as it would paying farmers in my district four times as much as the Florida orange growers to raise oranges. But we do not grow oranges in Wisconsin because we know we have tough winters, and it would not be a good idea. It makes about as much sense as paying Wisconsin farmers \$3 extra per pound over the growers in Georgia for peanuts.

Out of fairness and equity, I would ask my colleagues to support my amendment. It does not completely throw out the order system, it simply provides reasonable limits for differential payments set at the average differential of \$2.27, so there will be differences. There will be more in some regions, versus in others. It is just not an incredible amount.

Mr. Chairman, I reserve the balance of my time.

□ 1445

The CHAIRMAN pro tempore (Mr. GILLMOR). Does the gentleman from Alabama (Mr. RILEY) seek to claim the time in opposition to the amendment?

Mr. RILEY. Mr. Chairman, I do.

The CHAIRMAN pro tempore. The gentleman from Alabama (Mr. RILEY) is recognized for 10 minutes.

Mr. RILEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, here we go again. We have debated this same proposal over and over and over again today. I do not know that anyone is going to add anything new and exciting to this debate. But this debate literally comes down to, last year, in the upper Midwest, farmers got in their mailbox a price of \$15.38 cents per hundred-weight for their milk. In Alabama, they got \$15.34. Under this proposal, we would take a 43 cent per hundred-weight reduction in addition to a 98 cent reduction.

Mr. Chairman, if we want to tell all of the Southeastern producers, all of the Texas producers that we are literally going to put them out of business, that this amendment would cause all of the farmers in the Southeast over the next year or so to die a very slow and agonizing death, then it would be much more simple just to say we are going to produce all of the milk in the upper Midwest and ship it all over the country. That is essentially what this legislation is trying to do.

I appreciate the attempt of the gentleman from Wisconsin (Mr. RYAN) and the gentleman from Wisconsin (Mr. GREEN) to help their dairy farmers in their State, but they are doing it at the expense of every other dairy farmer in the United States.

My next-door neighbor is in the dairy business. I cannot go home and tell this man that we are going to reduce his price and allow the people in the upper Midwest to have an increase in price even though his cost is almost 30 to 40 percent more than theirs. It makes no sense.

I appreciate the gentlemen's attempt, but this amendment is a poison pill. We need to concentrate again on the base bill. This would destroy that bill. It makes no sense to do it.

Of everything that I have dealt with since I have been in Congress, I do not know of a single issue where regions are pitted against each other to the point that we are going to tell a full region of the country that we are going to put them out of business; and that is essentially what this amendment does.

So I would urge all my colleagues to concentrate on the base bill and reject this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin (Mr. GREEN).

Mr. GREEN of Wisconsin. Mr. Chairman, first, in response to the previous

speaker, he complains that Secretary Glickman's reform might put some farmers out of business. Again, we have heard it over and over again: by this time tomorrow, five farmers in Wisconsin will be put out of business by the system that this legislation would reimpose.

He says it would be a terrible thing if one region of the Nation might produce most of the milk. I hope he will support me in my legislation to create a mandated government-supported citrus industry in northern Wisconsin. After all, we should not have citrus all coming from one or two regions.

Let me boil things down here. I am not going to tell my colleagues that this bill or the Secretary's reforms are going to make a huge difference to the dairy farmers in any region of the Nation because they will not, and those who would suggest that I think are probably misreading this.

Our farmers are not expecting favoritism. They are hard working. They have an uphill battle. They face Wisconsin winters. They face losing football seasons. They are a tough lot, absolutely. They are not looking for favoritism.

But my farmers look at this; and they say that, if they cannot get the very, very modest reforms that are shown by Secretary Glickman, then perhaps they will lose all hope. Maybe that is why the Ag commissioner from Minnesota, when testifying before the Committee on Agriculture, said recently that people of Minnesota have given up hope on Congress. They have said that they actually have considered trying to physically relocate the city of Eau Claire to the West Coast, because it might be easier to do than to get a reform done here in Congress. Well, we will see today. They may well be right.

Mr. RILEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in response to the gentleman from Wisconsin (Mr. GREEN), the last speaker, and again I appreciate his concern, but 50 percent of the dairy farmers in Alabama have already gone broke. This will reduce the remaining 50 percent to zero. I think that applies all across this country in different regions.

We cannot destroy an industry to benefit a few States. Let me give an example of what happens. Dairy farmers in the Southeast will lose \$42 million, States like Alabama, Georgia, Tennessee, Mississippi, Louisiana, and Arkansas; \$23 million to the dairy farmers in Texas; \$22 million will be lost by the dairy producers in North Carolina and South Carolina; \$24 million in New York, New Jersey, and Delaware; \$22 million with all of the New England States; \$16 million a year loss in Maryland, Virginia, and in eastern Pennsylvania.

Mr. Chairman, this is bad policy, and this amendment fully guts the underlying bill. This is not something that I think most of the proponents of small

farms that are throughout this country could begin to attempt to support.

Mr. Chairman, I reserve the balance of my time.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to just add a correction to the gentleman from Alabama (Mr. RILEY). The Southeast mailbox price is higher than the upper Midwest mailbox price. The Southeast mailbox price is \$15.36, and the Midwest mailbox price is \$15.27. Also, with due respect to the farmers in Alabama, we have already lost 50 percent of our farmers in Wisconsin. This has already gone.

Mr. Chairman, I yield 2 minutes to the gentlewoman from Wisconsin (Ms. BALDWIN).

Ms. BALDWIN. Mr. Chairman, I rise in strong support of the Ryan amendment. This amendment would cap milk market differentials at \$2.27. That means that the maximum that any dairy farmer in any region of the country could receive under market orders would be \$2.27 above the basic formula price for milk.

This amendment may not increase the differential for the upper Midwest dairy farmers who receive the lowest price for their milk compared to every other region of the country. But the amendment would bring more fairness to a very unfair bill.

For example, under current milk marketing orders, dairy farmers near Miami, Florida receive \$4.18 per hundred-weight of milk above the basic formula price. In comparison, the dairy farmers I represent in Wisconsin only receive \$1.20 per hundred-weight of milk above the basic formula price. That means, for every 8 gallons of milk, my dairy farmers receive nearly \$3 less than dairy farmers near Miami, Florida.

The Ryan amendment would make this foolish system a little less foolish. Instead of giving dairy farmers that live the farthest away from Eau Claire, Wisconsin, the most money for their milk, the amendment would take the average of all differing orders, milk marketing orders, \$2.27, and cap the maximum at that. Although this would still allow some differences in regional milk prices, it would greatly improve a very flawed system.

Mr. Chairman, I know that my dairy farmers do not want to hurt other dairy farmers in this country. But for over 60 years they have been receiving less for their milk than any other farmers in the Nation. They just want fairness, and this amendment brings us one step closer to fairness.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield 30 seconds to the gentleman from Wisconsin (Mr. GREEN), the other cosponsor of this amendment.

Mr. GREEN of Wisconsin. Mr. Chairman, a lot of numbers are getting tossed around here today. I have something very interesting that we just got.

These are the USDA figures just released for the month of October. This is what they use to send out paychecks to farmers.

What it says is the loss here, if this goes forward, is 57 cents nationwide. The gloom and doom that my colleague and friend puts forward is just not borne out by the numbers. Again, changes that we are pushing for are extremely modest. H.R. 1402, contrary to what it said, we will lose. Farmers everywhere will lose.

Mr. RILEY. Mr. Chairman, how much time do we have remaining?

The CHAIRMAN pro tempore (Mr. THORNBERRY). The gentleman from Alabama (Mr. RILEY) has 5½ minutes remaining. The gentleman from Wisconsin (Mr. RYAN) has 1 minute remaining.

Mr. RILEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, just in response to the last two speakers, in 1998, Chicago had a mailbox price of \$15.38 cents. Alabama had \$15.34. Under option 1-B, Alabama would be reduced by 38 cents. Chicago's mailbox prices would go up by 60 cents. That is 98 cents per hundred-weight.

Now, if that is not disproportionate, I do not know what would be. Under this amendment, we would take another further reduction of 43 cents per hundred-weight.

There has been testimony brought forward time and time again today about the efficiencies of the upper Midwest. I agree. They do produce milk much cheaper than we can in the Southeast. But it makes absolutely no sense when one looks at it logically for a national program, this is not to remove the program, this is to adjust the program, that we are going to take the high-cost areas and reduce their price to increase the price in low-cost production areas.

Mr. Chairman, I reserve the balance of my time.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I will be very brief since I have 1 minute. The States that will not be affected by this amendment which fall at or below the \$2.27 differential are California, Colorado, Iowa, Idaho, Illinois, Indiana, Kansas, Kentucky, Michigan, Minnesota, Missouri, Montana, North Dakota, Nebraska, New Mexico, Nevada, much of New York, Ohio, Oregon, much of Pennsylvania, South Dakota, Utah, Washington, Wisconsin, West Virginia, and Wyoming.

Now, the point is this, Mr. Chairman: what this amendment seeks to do is get a little bit of fairness in the system. If H.R. 1402 is going to pass, it will perpetuate the status quo, a system based on horse-and-buggy 1937 economics. We are simply saying let us at least put a little limit on the damage because one lives far away from Eau Claire, Wisconsin, one is going to get a higher price. One is still going to get a higher

price the farther away from Wisconsin under my amendment; it is just going to cap it at the national average of the differential.

The USDA said the national average under the USDA's plan will be \$2.27. That is what this amendment seeks to achieve. Differences will still exist; they just will be limited.

Mr. RILEY. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. STENHOLM), the ranking member on the Committee on Agriculture.

Mr. STENHOLM. Mr. Chairman, in understandable efforts to simplify a complex issue, many continue to characterize Option 1-B, the option chosen by the Department, as reform and Option 1-A as the status quo. This characterization is simply incorrect. Option 1-A is not the status quo.

For many years, it was the goal of the upper Midwest dairy organizations to encourage a consolidation of milk marketing orders, so much so that the farm bills requirements for consolidation was that region's main accomplishment in the dairy section of that bill.

Option 1-A would accomplish that goal to the same degree as Option 1-B. Under the old rhetoric, then, even with Option 1-A, the final decision would be a significant accomplishment.

But apparently the debate has shifted, and we are faced with a new measure of success. It was a goal of the upper Midwest to bring an end to the accepted notion that each order's Class I differential is related to its distance from Eau Claire, Wisconsin.

Option 1-A recognizes three surplus zones as the basis for determining Class I prices. In Texas, this result itself means a significant lowering of the differential and, therefore, prices received by producers. Option 1-A will reduce income from Texas producers as well as producers in many other parts of the Nation.

□ 1500

So, again, under the old rhetoric and the old standards of success for the upper Midwest, Option 1-A represents a significant victory and a change from the status quo.

Now, the gentleman from Alabama is totally correct. The intent of this amendment is, for some reason, the folks in the upper Midwest continue to believe that it will help them to take away something from producers in the South or other regions of the country. I do not understand the logic of that because it will not work that way. Even if they should be successful, the marketplace will not allow that to happen.

So I would encourage our colleagues to vote down this amendment, another amendment, well-intentioned, and the representatives from the upper Midwest are doing an excellent job of representing that particular interest. The rest of the dairy industry in the whole United States happens to differ and disagree with them, but that is what this

floor is for. That is what we are here for. That is what the Committee on Agriculture did, we debated this amendment and we defeated it overwhelmingly in the Committee on Agriculture.

Mr. RYAN of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Wisconsin.

Mr. RYAN of Wisconsin. Mr. Chairman, here is some fresh data we have from the USDA. Looking at the entire country, on average, if the USDA reforms go through, comparing the USDA reforms to the current status quo, they gain 57 cents, so the country, on average, not just the upper Midwest.

Mr. STENHOLM. Reclaiming my time, Mr. Chairman, I would ask the gentleman who gains?

Mr. RYAN of Wisconsin. Almost all regions in this country gain. On average, in this country, according to the fresh data we just got 15 minutes ago, we gain as a Nation.

Mr. RILEY. Mr. Chairman, I yield myself such time as I may consume.

I do not know how much more can be said in this debate that has not already been said, but let me just close by saying we have farmers who have invested a lifetime of work that are struggling every day throughout this country just to keep their heads above water. If we are going to do anything that will push their heads under and hold them under, this amendment will do it.

This body has already spoken today and said that we want to go back to Option 1-A. I think that is a clear mandate of this Congress. This amendment would gut that. This is a poison pill amendment, and I would encourage all of my colleagues to vote against it.

The CHAIRMAN pro tempore (Mr. THORNBERRY). The question is on the amendment offered by the gentleman from Wisconsin (Mr. RYAN).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

Mr. RYAN of Wisconsin. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to House Resolution 294, further proceedings on the amendment offered by the gentleman from Wisconsin (Mr. RYAN) will be postponed.

It is now in order to consider Amendment No. 7 printed in Part B of House Report 106-324.

AMENDMENT NO. 7 OFFERED BY MR. MANZULLO

Mr. MANZULLO. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 7 offered by Mr. MANZULLO:

Add at the end the following new section:  
**SEC. \_\_\_\_.** **CONDITIONAL IMPLEMENTATION OF ACT.**

(a) EFFECTIVE DATE; ROLE OF UNITED STATES TRADE REPRESENTATIVE.—This Act and the amendments made by this Act shall take effect on the date of the enactment of this Act, except that the Secretary of Agriculture may not carry out this Act or imple-

ment any amendment made by this Act unless and until the United States Trade Representative notifies the Secretary that this Act and the amendments made by this Act present no risk of interference with any international trade negotiation to which the United States is currently a party or with the achievement of the trade policy objectives of the United States.

(b) CONTINUING ASSESSMENT OF EFFECT ON TRADE.—If this Act and the amendments made by this Act are implemented as provided in subsection (a), the United States Trade Representative shall periodically assess the effect of the implementation of this Act and the amendments made by this Act on international trade negotiations to which the United States is a party and the trade policy objectives of the United States.

(c) TERMINATION.—If, as a result of an assessment under subsection (b), the United States Trade Representative determines that this Act or any amendment made by this Act presents a risk of interference with any international trade negotiation to which the United States is a party or with the achievement of the trade policy objectives of the United States, the United States Trade Representative shall notify the Secretary of Agriculture of the determination. Upon receipt of the notification, the Secretary shall cease to carry out this Act and amendments made by this Act.

The CHAIRMAN pro tempore. Pursuant to House Resolution 294, the gentleman from Illinois (Mr. MANZULLO) and a Member opposed each will control 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. MANZULLO).

Mr. MANZULLO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we have filed an amendment to this bill for the purpose of trying to infuse the free trade system into this incredible archaic system of dairy marketing orders. The Manzullo-Dooley amendment has as its goal that when we leave the House of Representatives and the bill passes the Senate and is signed by the President that the USTR, the United States Trade Representative, would have the ability to review the language and pass upon whether or not it complies with our ability to compete internationally and meet the requirements of Nunn subsidies and the relief thereof in the WTO.

This is important. It is extremely important for the following reasons. We cannot have it both ways. Either we support free trade for our farmers or we do not. Every agricultural interest group has come to my office saying that they want to thank me for my votes on free trade. And it is extremely important in the new rounds that are coming up in Seattle that when we are there as a representative of Congress, which I will be, along with several other Members from this body and the other body, that we are going to be pressing the issue of making sure that overseas subsidies and Nunn tariff barriers are taken away so that our farmers can be on a more even playing field and, thus, be more able to export our agricultural commodities.

Illinois exports about 47 percent of its agricultural commodities. The en-

tire farming industry nationwide is in trouble; and one of the ways to bring it out of this incredible recession, if not depression, is to bust open the foreign markets to make it easier for us to sell the fruit of the labor of the American farmer overseas.

It is amazing. The American Farm Bureau Federation says technical trade barriers hold up \$5 billion worth of U.S. commodity sales to 63 countries. The U.S. Department of Agriculture estimates that free farm trade would mean about 25 to 30 percent higher commodity prices for U.S. farmers and ranchers, and some speculate it could go as high as 50 percent. Yet I see where the American Farm Bureau is part of a coalition opposing the Manzullo-Dooley amendment which would ensure free trade for our farmers.

That is what this amendment is about. It is very simple.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN pro tempore. Does the gentleman from Texas (Mr. COMBEST) claim the time in opposition?

Mr. COMBEST. I rise to claim the time in opposition, Mr. Chairman.

The CHAIRMAN. The gentleman is recognized for 20 minutes.

Mr. COMBEST. Mr. Chairman, I yield myself such time as I may consume. I would like to join those many others who thanked the gentleman from Illinois (Mr. MANZULLO) for his votes on free trade, however, I do rise in opposition to the amendment.

The Manzullo amendment would prevent the Secretary of Agriculture from carrying out the provisions of H.R. 1402 and thereby the United States dairy policy once it was approved by Congress and signed into law. The amendment says that the Secretary of Agriculture may not implement the law passed by Congress unless the U.S. Trade Representative says that this law does not present a risk of interference with international trade agreements or trade policy objectives of the United States. If this amendment is adopted, the House of Representatives will be allowing the USTR to set U.S. dairy policy.

The amendment of the gentleman from Illinois (Mr. MANZULLO) sets no time frame for consideration by the USTR, which could delay indefinitely its determination of the dairy policy compliance with trade agreements. The USTR evaluation of H.R. 1402 could take years, and U.S. dairy farmers will suffer while other countries continue their subsidies unchecked.

Additionally, the Manzullo amendment requires the USTR to evaluate U.S. dairy policy to determine whether there is a risk of interference with international trade agreements or with the trade policy objectives of the United States which has no force of law. The risk that should be evaluated is whether the European Union or the Canadian dairy policy is in accord with international trade rules.

Right now, the European Union spends over \$40 billion in domestic support to subsidize its farmers. That is

eight times as much as is spent by the United States for its farmers. On top of that, the European Union spends \$8 billion on export subsidies, keeping the U.S. agriculture out of many markets around the world. And that is a representation that is 16 times as much as is spent by the United States on export subsidies.

I would urge Members to oppose the Manzullo amendment. The Congress should determine dairy policy with the concurrence of the President. Unchecked bureaucrats should not determine what U.S. dairy policy is.

Mr. Chairman, I reserve the balance of my time.

Mr. MANZULLO. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin (Mr. GREEN).

Mr. GREEN of Wisconsin. Mr. Chairman, I thank my colleague for yielding me this time.

This amendment points to, I think, a broader question, and I ask this question only somewhat seriously. Do not Members of this institution feel at least a little hypocritical here today? At the very time that we are urging, no, insisting that nations around the world open up their economies and tear down trade barriers, at the very time we do that, we seek to reimpose and reinforce those very trade barriers between the States in this country.

We are holding press conferences, special orders, we are even holding strikes when nations try to do precisely what 1402 seeks to do. We send trade missions all around the world. We send representatives from the IMF, from the World Bank, all over as missionaries of trade and capitalism, yet in this House we practice a very different religion. Maybe we should put together a letter directing the U.S. Trade Representative to come back home, to come to Congress, the flat Earth society, to come back here and try to preach the gospel of capitalism and trade.

Some time ago, I reluctantly voted for NTR for China. I was very reluctant; had some misgivings about it. But I voted for it, because I believed at the very time that we are trying to tell our farmers to move to market-based, to management-style policies that we cannot deny them potentially the largest market in the world. Yet, I am ashamed to say that today a majority is going to go one step further and close off some markets here at home. Today, much of the logic behind NTR comes crashing down as far as I am concerned.

Let me plead with my colleagues from around the Nation. Do not be afraid to compete. Do not be afraid to compete with the dairy farmers of the upper Midwest or anywhere. Do not be afraid to compete. Do not reerect trade barriers because of the large co-ops and trade organizations. Do not.

This is a defining moment. We are either going to be a pro-trade Congress or we are not. Up to now, I thought we were a pro-trade Congress. I was wrong.

At least I believe that I will be shown wrong later on today.

Mr. COMBEST. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. POMBO), the subcommittee chairman.

Mr. POMBO. Mr. Chairman, I thank the gentleman for yielding me this time, and I rise in opposition to this amendment.

I believe that it does what the gentleman from Illinois (Mr. MANZULLO) wants it to in terms of the way it is drafted, but I believe it does a whole lot more than quite simply making this abide by current international trade agreements.

If we read the actual amendment, it says the U.S. Trade Representative has to notify the Secretary that the act and amendments made by the act present no risk of interference with any international trade negotiation to which the United States is current a party or the achievement of trade policy objectives.

So not only do we have to agree with international agreements but any trade negotiation that we are currently negotiating with anyone or that we achieve someone's trade policy objectives. And the U.S. Trade Representative's office has the ability to look at this and decide whether or not it meets these, what I believe are very fuzzy goals, and has the ability to stop this legislation from being implemented.

Now, we have already, as a Congress, many times, abdicated our responsibility when it comes to trade agreements, but this goes even one step further than that. We are now going to abdicate our responsibility in terms of dairy policy. We are now going to give that to the U.S. Trade Representative.

And I would like to ask the sponsor of the amendment or either of the sponsors of the amendment a question. If the United States Trade Representative's office decides this is somehow not with the achievement of the trade policy objectives of the United States, and this does not become law, what then becomes the law in terms of dairy policy in this country? Do we go back to the 1937 generic act, do we go back to the 1995 act, or do we go back to the 1985 act?

Exactly what becomes law in this country if the new secretary of agriculture at the U.S. Trade Representative's office decides that this does not meet somebody's objectives?

Mr. MANZULLO. Mr. Chairman, will the gentleman yield?

Mr. POMBO. I yield to the gentleman from Illinois.

Mr. MANZULLO. It would be 1-A modified that would go into effect on October.

Mr. POMBO. Reclaiming my time, Mr. Chairman, I would have to say that I believe the gentleman is inaccurate to say it would be 1-A modified. Because after this has passed and become the law, what the gentleman is doing is going back to whatever was the law underneath the generic law.

I believe what this legislation would do, if the U.S. Trade Representative decided that we were not achieving somebody's trade policy objectives, that we would then go back to the 1937 act as the generic act. I do not think, in fact, I know there is no one in this place that can explain what the 1937 act is because nobody can explain what the 1996 act is.

Mr. MANZULLO. Mr. Chairman, If the gentleman will continue to yield, what we can explain is the fact that we have regional socialism that is destroying the American dairy industry, and that is exactly what this amendment is about.

Mr. POMBO. I will not debate the gentleman on the merits of the current dairy policy in this country.

Mr. MANZULLO. But that is exactly why we are here.

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I believe that the current policy is wrong. I believe the current policy is not good policy. And it was not my bill. It was not the bill of the Committee on Agriculture. It was a creation of a lot of the people that are pushing this stuff right now.

Mr. MANZULLO. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. DOOLEY), the cosponsor of this amendment.

Mr. DOOLEY of California. Mr. Chairman, I rise in support of this amendment. I do so because, as a farmer and as a Member of Congress, and certainly as a member of the Committee on Agriculture, when I look to the future and where the market opportunities for U.S. agriculture are, they are certainly outside our borders. I mean, it is no secret that when we start looking at world demographics, the world's population, that we only have 4 percent of it which lives within the United States. Ninety-six percent of the consumers live outside of our borders.

So it has been appropriate that this administration and past administrations have been diligent in trying to expand our opportunities to access those markets. But if we are going to make that one of our highest priorities, it is also very important that we have our domestic agriculture programs be consistent with achieving that outcome.

I mean, already today we have over a third of our acreage which is devoted to the production of commodities which are exported, and that is going to increase. When we look at the potential opportunity in the developing countries and others, over 50 cents of every dollar in every developing country, every 50 cents of every dollar increase in per capita income goes to the purchase of food stuffs.

That is the opportunity for U.S. dairy farmers, for U.S. cotton farmers, grain and wheat also. So it is important for us when we pass any type of policy that pertains to our domestic agricultural policy that it in fact be

consistent with the trade agreements that we have entered into and have negotiated.

The objective of the Manzullo-Dooley amendment is very simple. It is to ensure that USTR has the opportunity to review it, to ensure that it does in fact maintain a consistency with the trade agreements that we have already negotiated.

I would say in terms of the trade objectives that our trade objectives are to reduce domestic interference and markets, whether they be with our trading partners or internally. We think that is important. Because if we are going to try to make our good-faith arguments in a consistent manner when we are bringing issues in front of the WTO and other trade dispute panels, resolution panels, we have to make sure that we are on the moral high ground too.

If we are in fact putting forth a dairy program that is in fact interfering or is inconsistent with trying to move in a more market-oriented direction that is ensuring that there is not undue Government interference in the marketplace, we are in fact being inconsistent with the same policies that we are trying to advocate and trying to see implemented internationally.

This measure I think is an important amendment. It is one which I think can just provide an additional level of oversight to ensure that we are advancing policies in Congress that are consistent with our overall international trade objectives and ensuring, too, that our domestic policies are going to ensure that we are rewarding those dairy families and farming families that have the relative advantage in our country to produce the highest quality product at the least cost.

I urge support of this amendment.

Mr. COMBEST. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Chairman, I thank the gentleman for yielding me the time, and I join in the chairman's opposition to this amendment.

It is interesting that we have those who support free trade who stand here and say we are for free trade and fair trade but also who consistently fight that Congress might have a determination over whether or not our policy mixes or matches with what other countries are doing suddenly come with an amendment that says that the ultimate judge of this will be the U.S. Trade Representative. I find that very interesting.

But my opposition to the amendment stems from the practical side of the argument that they make. If in fact we are somehow calling this bill that we have today an anti-trade agreement, it would have already been discussed in the House Committee on Agriculture. Because, to the best of our ability, we bring no legislation to this floor that is not consistent with laws which we support. Because just as the chairman of the subcommittee, myself, the gen-

tleman from California (Mr. DOOLEY), and the gentleman from Illinois (Mr. MANZULLO) support free trade, that is not the argument today.

The argument on this amendment and why it ought to be opposed is who are we going to allow to make that determination. If we in fact were concerned about the spirit of this amendment, what we ought to have done is pass Fast Track so we could be negotiating in Seattle in a few weeks because this House has chosen not to do that, not the President, not the Senate. This House has voted we do not want to negotiate.

Now, my feelings are very, very strong on trade. I would like to see freer and fairer trade. I want to see it negotiated at Seattle. I want to be part of it. We will be part of it. Under the chairman's leadership, the House Committee on Agriculture will be part of it. And we in fact will see that whatever is negotiated that we conform to it. But we are going to do it a little differently this time I hope.

I hope that at this time that instead of us waiting to see or negotiating first and then adjusting to it that we do it a little bit differently; that whatever is negotiated this time, I hope we will conform our legislation to the spirit of that so that our producers, in this case our dairy producers, will have our Government standing shoulder to shoulder with them.

To those that make the argument that somehow this bill is anti-free trade or hypocritical, have they taken a look at the Canadian dairy system, their neighbors just to the north, and see what they do, and then suggest that what we are doing today is anti-free trade? They are aiming their guns at the wrong target.

Mr. MANZULLO. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Illinois.

Mr. MANZULLO. Mr. Chairman, the United States filed a complaint and a panel was installed on the Canadian dairy system, and we won that round. It is being appealed by Canada right now.

Mr. STENHOLM. Mr. Chairman, reclaiming my time, that is my point.

Mr. MANZULLO. Mr. Chairman, if the gentleman would further yield, that is the whole point. We have got something just as ridiculous and we are suing the Canadians because of theirs.

Mr. STENHOLM. Mr. Chairman, reclaiming my time, I beg to differ with the assessment of the gentleman of the bill that we have in this country.

Mr. COMBEST. Mr. Chairman, I yield myself 1 minute to engage the ranking member for a moment, if I might.

Is it not true that in all other agricultural policy in regards to what is compliant or noncompliant with U.S. and international trade rules that the Department of Agriculture makes the ruling on those?

Mr. STENHOLM. Mr. Chairman, will the gentleman yield?

Mr. COMBEST. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, that is certainly my understanding, and that is the way in which I believe this body would have wanted us to progress.

Mr. COMBEST. Mr. Chairman, I reserve the balance of my time.

Mr. MANZULLO. Mr. Chairman, I yield myself 15 seconds.

Mr. Chairman, it is interesting here that we are talking about the U.S. Department of Agriculture having authority over trade and their wanting to keep that, but the ones making the argument are the same ones that are saying the U.S. Department of Agriculture should not have the ability to pass 1-a modified and let the farmers choose for themselves.

Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I am going to do something that is fairly rare here on the House floor, and that is read a passage of the U.S. Constitution.

Now, the gentleman from Illinois (Mr. MANZULLO) in his amendment is raising a very, very valid point. Let us go back to the Constitution. Everybody who is here in this body swore an oath to protect the Constitution.

So in Article I, section 9, "No tax or duty shall be laid on articles exported from any State. No preference shall be given by any regulation of commerce or revenue to the ports of one State over those of another. Nor shall vessels bound to or from one State be obliged to enter, clear, or pay duties in another."

The point is this: this is unconstitutional. We are already setting up protectionist barriers within this country based on this antiquated dairy system.

Now, the question about export, world trade with other countries, is a very, very valid question. But that goes to the heart of the issue, which is, we are already doing things that seem extraordinarily contrary to the Constitution that we are here to uphold.

Now, I know I am a new Member, and I know it is very novel that we bring this to the floor, but the point is this: what we are already doing is, in many people's opinion, including my own, is unconstitutional. What we are doing is violating the very principles we try to export to other countries.

Mr. MANZULLO. Mr. Chairman, I yield 15 seconds to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Chairman, let us assume for a moment the gentleman is correct. I am not a constitutional lawyer myself, but I will assume for a moment that he is correct.

Would it not be the proper forum to determine that at the Supreme Court and not the United States Trade Representative?

Mr. RYAN of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Wisconsin.

Mr. RYAN of Wisconsin. Mr. Chairman, that is a very, very good question.

In my opinion, I think Members of Congress, who swear to uphold the Constitution, should do that as well. We should debate the constitutionality of the bill as we try to propose so we do not logjam the courts heaping the responsibility over there. We should be the first check on the Constitution here in the legislative branch of the Government.

Mr. COMBEST. Mr. Chairman, would the Chair inform the Members as to the amount of time remaining.

The CHAIRMAN. The gentleman from Illinois (Mr. MANZULLO) has 8½ minutes remaining. The gentleman from Texas (Mr. COMBEST) has 11½ minutes remaining.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from Arkansas (Mr. HUTCHINSON).

Mr. HUTCHINSON. Mr. Chairman, I thank the distinguished gentleman for yielding me the time.

Mr. Chairman, I rise in opposition to this amendment and certainly in support of H.R. 1402.

I come from Arkansas. We have a rich dairy tradition in northwest Arkansas. I have heard from my dairy farmers, and they need help; they need assistance. This is designed to give some relief and a flow of milk for our consumers in the United States.

But the amendment that is being offered I think does raise a serious constitutional question, and I appreciate my good friend from Wisconsin reading from the Constitution. I think he should be here frequently and reading from the Constitution. But one thing I hear from my constituents is that this body assigns too much authority to other agencies of Government.

What this amendment does is it delegates the United States Trade Representative and gives so much authority and power to that body to override, in essence, what we believe is important in setting policy for our dairy farmers and this industry.

So I think that this takes us in totally the wrong direction. We look at the issue of trade, and I believe we need to expand trade and do everything that we can to move in that direction. But as the gentleman from Texas was discussing, other countries always have some type of program to help their agricultural community or some different industry that they are concerned about. And our responsibility overall is to make sure that our support system is at a minimum that does not interfere substantially with our trade.

What we are doing is we will be singling out the dairy farmer and telling the United States Trade Representative that they have got to watch this particular element, they have got to watch our dairy farmers, they have got to watch the flow of milk here, and it

puts us in a weak position in negotiating trade agreements with our other countries.

I do not believe that this in any way would undermine our trade policy of the United States, but it would undermine our negotiating position. And there is a huge distinction there.

So I fully support the bill. I would ask my colleagues to oppose the amendment.

Mr. MANZULLO. Mr. Chairman, I yield 3 minutes to my colleague, the gentleman from Illinois (Mr. CRANE), the distinguished chairman of the Subcommittee on Trade of the Committee on Ways and Means.

(Mr. CRANE asked and was given permission to revise and extend his remarks.)

Mr. CRANE. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from Illinois (Mr. MANZULLO), my friend and my next-door neighbor, and the gentleman from California (Mr. DOOLEY).

A little more than 2 months from now, the U.S. will host a ministerial meeting of the World Trade Organization, the first of its kind to be held in this country.

A primary goal for American farmers is the successful launch of a new round of multilateral trade negotiations at this important meeting. The United States possesses the most efficient and competitive agriculture sector in the world. Agricultural goods accounted for \$88 billion in total two-way trade during 1998, up 14 percent from 1993. U.S. agricultural exports alone stood at about \$52 billion in 1998.

Because domestic food consumption is projected to remain relatively stable, the further elimination of trade barriers and development of new export opportunities is essential to the economic health of American farmers.

United States objectives for the next round of trade negotiations are to abolish export subsidies, phase out tariffs, and reform and eliminate domestic support programs.

It is never easy to achieve liberalization of agricultural trade because farming is the most sensitive and politically powerful sector in almost every country. But this difficult objective becomes impossible if the United States, the avowed champion of open trade and agriculture, takes additional steps to distort markets and increase protection for our own favored commodities.

□ 1530

H.R. 1402 increases market-distorting subsidies, penalizes consumers, and invites our trading partners to take similar steps. H.R. 1402 enables the European Union to justify and maintain its protectionist agricultural policies which represent the single largest impediment to expanded agricultural trade worldwide.

The Manzullo-Dooley amendment requires USTR to assess whether implementation of H.R. 1402 would undermine the trade negotiating objectives of the United States. Implementation of the bill's market-distorting subsidies, Mr. Chairman, would end if USTR made an affirmative finding.

Mr. Chairman, as the important WTO meeting in Seattle approaches, it is completely counterproductive to U.S. negotiating objectives to pass legislation like H.R. 1402. The United States must stand foursquare for free market reforms and for free trade policy, a policy rather that benefits our farmers, processors and our consumers. We must continue to provide the international leadership for free markets that has traditionally come from America.

Mr. Chairman, I urge a yes vote on the Manzullo-Dooley amendment, and I urge a no vote on H.R. 1402.

Mr. COMBEST. Mr. Chairman, I yield 30 seconds to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Chairman, I thank the gentleman for yielding this time to me, and my colleague, the gentleman from Wisconsin (Mr. RYAN) a moment ago, speaking of the constitutional authority, I am sure has forgotten that the rules of the House determine that every committee that brings a bill to the floor of the House must determine that the act is constitutional before it is eligible under the rules to come to the floor of the House, and on page 16 of the report the committee, the Committee on Agriculture, finds the constitutional authority for this legislation in Article I, clause 8, section 18, that grants Congress the power to make all laws necessary and proper for carrying out the powers vested by Congress.

So we have made that determination in the committee bringing the bill to our colleagues so they can feel a little better about their concerns.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. GILCHREST).

Mr. GILCHREST. Mr. Chairman, I thank the gentleman for yielding this time to me, and to add on to the gentleman from Texas' explanation for the constitutional provision which allows the U.S. Congress to do what we are doing now, which is basically a more equitable distribution of the funds, not an inequitable distribution of the funds, and I will quote from Oliver Wendell Holmes. I was going to make this comment to the gentleman from Wisconsin who originally brought up the idea of the Constitution. Oliver Wendell Holmes, chief justice, said that the Constitution was made for people with fundamentally differing views. And what we see here today is a reflection of people on this House floor with fundamentally differing views. And at this particular point, my colleague with whom I have great respect, the gentleman from Illinois (Mr. MANZULLO), I would oppose his amendment.

We talked about free and open markets. We need to have access to foreign

markets. Well, in the state of the world today, especially when we consider the agricultural community in the United States, who are we going to sell our agricultural products to in the near term?

Is it going to be Russia? I do not think so.

Is it going to be China? I do not think so.

Is it going to be Japan? So our markets right now with the international situation are somewhat restricted.

Can the agricultural community in the United States wait until the Russian economy improves, or China opens its markets, or Japan opens its markets, or Canada opens its markets? I do not think so. We are talking about a free market system.

What I would like to remind my colleagues who are in favor of this particular amendment is, Mr. Chairman, that if they look at General Motors, they operate whether it rains or whether it does not rain. They can operate in a free, open-market economy without much interference from anybody. They do not have to worry about floods; they do not worry about droughts; they do not worry about disease; they do not worry about insect infestation. But the U.S. agricultural community worries about all of those things every single day of the year, and the U.S. agriculture industry operates on a very slim weather margin.

So I would ask my colleagues to oppose this amendment.

Mr. MANZULLO. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Chairman, I thank my friend from Illinois for yielding this time to me.

Let us come back to the spirit in which this amendment is offered, and that is to highlight the trade implications that this amendment is meant to address, and there are many.

If our dairy farmers, farmers generally across the country, are to survive in the future, it is going to depend in large part on the ability to export products beyond our borders. Agriculture already is our number one export industry. We have an opportunity south of our border to take advantage, if we position ourselves correctly, of an emerging dairy market. That has proved more and more difficult because of policies of outside nations, especially the European Union. If anyone today is under the illusion that what we do on 1402 does not have an effect on our trade policy in the agricultural sector, Mr. Chairman, they do not understand how other countries are viewing what we are doing here today.

Last December, I had an opportunity along with the gentleman from California (Mr. DOOLEY), Senator PAT ROBERTS, a few other representatives, to go over to Brussels and speak with members of the European Commission and European Parliament in regards to the reforms that they are looking at over their common agricultural policy. I

raised the issue that in the European Union they have some of the highest state-subsidized dairy policies in the world, and they have a competitive advantage over us because of that high state subsidy. They turned to me and said: "Listen. Until you are able to get your own house in order, who are you to come over here and lecture to us about lowering trade barriers and moving to a more free trade market system?"

That is what is at stake here.

We have another round of WTO discussions coming up this fall. If we are incapable of tearing down trade barriers that exist domestically over in the dairy policy, it is going to be very difficult for our trade representatives to have the moral authority and the credibility to engage in those WTO talks to convince other countries to move to a more free trade market system around the globe and give our farmers the opportunity to compete fairly and effectively.

That ultimately is going to determine the success or the failure of our family farmers.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. SWEENEY).

Mr. SWEENEY. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, as my colleagues know, we all are interested in ensuring that the agriculture industry grows and becomes healthy. But granting veto authority to our trade representative in domestic policy issues is a terrible precedent that relinquishes our congressional role in oversight of trade agreements.

This amendment would essentially put our dairy programs on the trading block. That is not good for our family farmers. That cannot be good for our family farmers.

As my friend and colleague, the gentleman from Arkansas (Mr. HUTCHINSON) pointed out, we always should question the wisdom of delegating veto authority to Federal agencies. That is what we are elected to do here. Agriculture has been compromised too many times already by our trade representatives, and all agricultural sectors have been effected by the shortcomings of those agreements.

I urge my colleagues to vote "no" on what is another amendment intended to bust 1402, a strong bipartisan measure.

Mr. MANZULLO. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Chairman, I thank the gentleman for yielding this time to me.

This amendment is leading by example.

Now right now dairy products, the amount that we export into international markets of dairy products, represents about only 2 percent of the dairy product we produce. So it is not a big item, Mr. Chairman, but it is an example.

Now go to soybeans, for example, and one out of every two rows of soybeans grown in the State of Minnesota ultimately winds up in export markets.

As my colleagues know, the fundamental fact about agriculture in America today is that we cannot eat all that we can grow. If we do not have export markets, do my colleagues know what happens? Prices drop like a rock. The biggest reason that we have a farm crisis in America today is that we have lost \$11 billion worth of exports. That is \$11 billion that has come right out of the pockets of our farmers whether they produce milk or whether they produce pigs or whether they just grow corn or beans, whatever they grow. We have to export if we are going to have a strong agricultural economy.

Now several years ago, the Reverend Jesse Jackson said something that I think is very important, and it really underscores what the gentleman from Wisconsin (Mr. KIND) just said. He said, "If you want to change the world, you got to first change your neighborhood, and if you can't change your neighborhood, at least be a good example."

This is an amendment about being a good example. If we are going to lead the world in exports, if we are going to get back that \$11 billion of lost export markets, at least let us be a good example.

This is an important amendment, Mr. Chairman. I hope my colleagues will join me in supporting it.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. MCHUGH).

Mr. MCHUGH. Mr. Chairman, I thank the gentleman for yielding this time to me.

The more I listen, the less I learn. There are things being said here on the floor today with respect to this amendment that I think draws two conclusions:

Number one, that somehow a Federal order system for milk is an improper and illegal restraint of trade. In fact, my colleagues, Mr. Chairman, that is an issue that has been well adjudicated. It was an issue that was extensively discussed during the last trade negotiations under GATT. It was an issue that was determined in the trade negotiations under GATT that Federal orders have no effect on trade. So, Mr. Chairman, that is not the core issue here.

The second assumption or the second claim that is being made is that something in H.R. 1402 or something in the current law and current dairy policy restricts any farmer from exporting in America today. That is totally false. It is totally incorrect. If my friends in Wisconsin want to export, go ahead, they can do that. The current world price for milk is about \$9 a hundred-weight. I do not think many farmers in America, be they in Wisconsin or any other part of the country, would want to export into that kind of market because it would be unaffordable, it would cause even wider bankruptcies.

What we have here is a difference of not what should be done, but who should benefit. Every single Member who is in support of this amendment today voted earlier to try to impose and to keep a system that preserves the market order structure. What it does not do in their mind is direct enough money to them.

So I think we have to keep reality in focus here, Mr. Chairman. We need to explore trade opportunities. There is nothing in H.R. 1402 that would prohibit that. There is nothing in the Federal order system that in any way precludes that. It is common sense; it is constitutional; and it is something that has been discussed time and time again.

So when we go to the floor and vote on this amendment, I hope we keep reality in mind because it is rather important.

Mr. COMBEST. Mr. Chairman, I reserve the balance of my time.

Mr. MANZULLO. Mr. Chairman, I yield myself such time as I may consume.

As my colleagues know, it is really interesting, the statement was just made by the gentleman from New York (Mr. MCHUGH) that nothing is to stop the people in the Midwest from exporting. Well, it is interesting because, if the dairy farmers try to export their product to the northeast dairy compact, they have to pay a special tax on it. I cannot think of anything that is more trade distorting than that. And let me finish, and, if I have time, I will be glad to yield on that, but that is what this is about.

This is about regionalism in this country. It is also about fairness. It is also about the ability of this body to come together and to come up with a fair solution, and we had something several years ago when nobody could determine in this body how to close down the military bases, so the Military Base Commission was established in order to do the right thing for America. The Members of Congress said let us appoint somebody, an independent panel, to do an evaluation as to determine exactly what is the best thing to do, and that is exactly how that commission works.

Well, Mr. Chairman, in the Freedom to Farm Act that took place in this body several years ago, this body voted to allow the U.S. Department of Agriculture to come up with a solution to the socialism that has been going on in this country since 1937, and they did. They came up with a final rule, and the very people who embodied the U.S. Department of Agriculture now say:

"Whoa, we don't like the solution that we gave you the authority to come up with; so now therefore we're going to come back into this body again and impose regional socialism on this country."

Mr. Chairman, that is outrageous. It is outrageous for farmers from one part of this country to send their products to another part of this country and end

up paying the equivalent of a tariff or a duty. It is outrageous when farmers in this country, based upon their geographic location to Eau Claire, Wisconsin, that determines the price they get for their milk. That is pure insanity. That does not make sense, Mr. Chairman. There is not anything, anything in the laws of this country, that give any justification to having that type of a system.

Mr. Chairman, our amendment simply tries to make this unfair system a little bit more fairer under the circumstances.

Mr. COMBEST. Mr. Chairman, I yield 30 seconds to the gentleman from New York (Mr. MCHUGH).

Mr. MCHUGH. Mr. Chairman, my friend, the gentleman from Illinois (Mr. MANZULLO), number one, he will be delighted to hear, and apparently he was not on the floor earlier when I noted that H.R. 1402, as the modified one, B, also does, no longer uses Eau Claire, Wisconsin, as its basing point in determining class I differentials; so, we have taken care of that for him.

Number two, New York is not part of the northeast dairy compact, but the gentleman's statement that farmers have to pay a tax is absolutely incorrect. Any farmer can ship into the northeast, as my farmers do. What it does require, that farmer receives the same equitable prices as every other member.

□ 1545

Mr. COMBEST. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, I would like to make a few points, if I could, about trade policy since the trade policy and subsidization of our domestic producers and domestic producers in other countries has been brought up.

All of the subsidies, supports or whatever we may call them, fit within the trade laws. There is a process by which if that is questioned that can be adjudicated; but I would just say and remind people what I said in my opening statement, the European Union spends eight times as much in domestic support for their farmers as the United States does. It spends 16 times as much in export subsidies as does the United States.

Mr. Chairman, our farmers can compete with any farmers in the world, but our farmers should not be forced to compete with other governments. I will be with my friend from Wisconsin and others when we begin to lead the fight worldwide to reduce subsidization and supports; but the idea that we should set an example and unilaterally disarm the American farmer, I think, is a ludicrous statement.

I will be with everyone else when we do this worldwide, but I will be the last to suggest that we start it in this country when all other countries are still doing it at many levels above what we are doing it.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. THORNBERRY). All time has expired.

The question is on the amendment offered by the gentleman from Illinois (Mr. MANZULLO).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

Mr. MANZULLO. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to House Resolution 294, further proceedings on the amendment offered by the gentleman from Illinois (Mr. MANZULLO) will be postponed.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN pro tempore. Pursuant to House Resolution 294, proceedings will now resume on those amendments on which further proceedings were postponed in the following order:

Amendment No. 4, printed in part B, offered by Mr. GUTKNECHT of Minnesota; Amendment No. 6, printed in part B, offered by Mr. RYAN of Wisconsin; and Amendment No. 7, printed in part B, offered by Mr. MANZULLO of Illinois.

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 4 OFFERED BY MR. GUTKNECHT

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on Amendment No. 4 offered by the gentleman from Minnesota (Mr. GUTKNECHT) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 112, noes 313, not voting 8, as follows:

[Roll No. 432]

AYES—112

Armey	Ganske	Linder
Baldwin	Goss	Lipinski
Barrett (WI)	Green (WI)	Luther
Becerra	Gutierrez	Manzullo
Biggert	Gutknecht	Markey
Bilbray	Hall (OH)	Matsui
Blagojevich	Hefley	McDermott
Blumenauer	Hill (IN)	Meehan
Boehner	Hobson	Menendez
Boswell	Hoekstra	Miller (FL)
Buyer	Hostettler	Minge
Calvert	Hyde	Nussle
Capps	Jackson (IL)	Oberstar
Carson	Johnson, E. B.	Obey
Chabot	Johnson, Sam	Ose
Conyers	Jones (OH)	Pallone
Cox	Kaptur	Pascarell
Crane	Kasich	Payne
Davis (IL)	Kilpatrick	Peterson (MN)
Delahunt	Kind (WI)	Petri
DeMint	Kingston	Pomeroy
Dixon	Kleczka	Porter
Dooley	Kolbe	Portman
Dreier	LaHood	Pryce (OH)
Ehlers	Largent	Ramstad
Evans	Latham	Regula
Ewing	LaTourette	Rogan
Frank (MA)	Leach	Rohrabacher

Rothman  
Roybal-Allard  
Royce  
Rush  
Ryan (WI)  
Sabo  
Sanchez  
Sanford  
Sawyer  
Schakowsky

NOES—313

Abercrombie  
Ackerman  
Aderholt  
Allen  
Andrews  
Archer  
Bachus  
Baird  
Baker  
Baldacci  
Ballenger  
Barcia  
Barr  
Barrett (NE)  
Bartlett  
Barton  
Bass  
Bateman  
Bentsen  
Bereuter  
Berkley  
Berman  
Berry  
Bilirakis  
Bishop  
Bliley  
Blunt  
Boehlert  
Bonilla  
Bonior  
Bono  
Borski  
Boucher  
Boyd  
Brady (PA)  
Brady (TX)  
Brown (FL)  
Brown (OH)  
Bryant  
Burr  
Burton  
Callahan  
Camp  
Campbell  
Canady  
Cannon  
Capuano  
Cardin  
Castle  
Chambliss  
Chenoweth  
Clay  
Clayton  
Clement  
Clyburn  
Coburn  
Collins  
Combest  
Condit  
Cook  
Cooksey  
Costello  
Coyne  
Cramer  
Crowley  
Cubin  
Cummings  
Cunningham  
Danner  
Davis (FL)  
Davis (VA)  
Deal  
DeFazio  
DeGette  
DeLauro  
DeLay  
Deutsch  
Dicks  
Dingell  
Doggett  
Doolittle  
Doyle  
Duncan  
Dunn  
Edwards  
Ehrlich  
Emerson

Sensenbrenner  
Sessions  
Shaw  
Shays  
Smith (WA)  
Souder  
Strickland  
Stupak  
Sununu  
Tancredo

Engel  
English  
Eshoo  
Etheridge  
Everett  
Farr  
Fattah  
Filner  
Fletcher  
Foley  
Forbes  
Ford  
Fossella  
Franks (NJ)  
Frelinghuysen  
Frost  
Gallegly  
Gejdenson  
Gekas  
Gephardt  
Gibbons  
Gilchrest  
Gillmor  
Gilman  
Gonzalez  
Goode  
Goodlatte  
Gooding  
Gordon  
Graham  
Granger  
Green (TX)  
Greenwood  
Hall (TX)  
Hansen  
Hastings (FL)  
Hastings (WA)  
Hayes  
Hayworth  
Hill (MT)  
Hilleary  
Hilliard  
Hinchey  
Hinojosa  
Hoeffel  
Holden  
Holt  
Hooley  
Horn  
Houghton  
Hoyer  
Hulshof  
Hunter  
Hutchinson  
Inslee  
Isakson  
Jackson-Lee  
(TX)  
Jefferson  
Jenkins  
John  
Johnson (CT)  
Jones (NC)  
Kanjorski  
Kelly  
Kennedy  
Kildee  
King (NY)  
Klink  
Knollenberg  
Kucinich  
Kuykendall  
LaFalce  
Lampson  
Lantos  
Larson  
Lazio  
Lee  
Levin  
Lewis (CA)  
Lewis (GA)  
Lewis (KY)  
LoBiondo  
Lofgren  
Lowey  
Lucas (KY)  
Lucas (OK)

Terry  
Thune  
Tierney  
Vento  
Visclosky  
Waxman  
Weller  
Wu

Coble  
Diaz-Balart  
Dickey

□ 1609

Messrs. SMITH of Texas, WYNN, and BATEMAN changed their vote from "aye" to "no."

Ms. EDDIE BERNICE JOHNSON of Texas and Messrs. KINGSTON, HEFLEY, and ROTHMAN changed their vote from "no" to "aye."

So the amendment was rejected. The result of the vote was announced as above recorded.

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (Mr. THORNBERRY). Pursuant to House Resolution 294, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device will be taken on each additional amendment on which the Chair has postponed further proceedings.

AMENDMENT NO. 6 OFFERED BY MR. RYAN OF WISCONSIN

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on Amendment No. 6 offered by the gentleman from Wisconsin (Mr. RYAN) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment. The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 109, noes 318, not voting 6, as follows:

[Roll No. 433]

AYES—109

Armey  
Baldwin  
Barrett (NE)  
Barrett (WI)  
Becerra  
Bereuter  
Biggart  
Bilbray  
Blagojevich  
Blumenauer  
Boehner  
Boswell  
Buyer  
Calvert  
Campbell

Carson  
Chabot  
Cox  
Crane  
Davis (IL)  
Davis (VA)  
Delahunt  
DeMint  
Dixon  
Dooley  
Dreier  
Eshoo  
Evans  
Ewing  
Frank (MA)

Thomas  
Thompson (CA)  
Thompson (MS)  
Thornberry  
Thurman  
Tiahrt  
Toomey  
Towns  
Traficant  
Turner  
Udall (CO)  
Udall (NM)  
Upton  
Velazquez  
Vitter  
Walden  
Walsh  
Wamp

Fowler  
Herger  
Istook

MOORE

Moore

Scarborough

Waters  
Watkins  
Watt (NC)  
Watts (OK)  
Weiner  
Weldon (FL)  
Weldon (PA)  
Wexler  
Weygand  
Whitfield  
Wicker  
Wilson  
Wise  
Wolf  
Woolsey  
Wynn  
Young (AK)  
Young (FL)

Moore  
Scarborough

Kasich  
Kind (WI)  
Klecza  
Kolbe  
LaHood  
Largent  
Latham  
LaTourette  
Leach  
Lipinski  
Lofgren  
Luther  
Maloney (NY)  
Manzullo  
Markey  
Matsui  
McDemott  
McIntosh  
Meehan  
Menendez  
Miller (FL)  
Minge

Abercrombie  
Ackerman  
Aderholt  
Allen  
Andrews  
Archer  
Bachus  
Baird  
Baker  
Baldacci  
Ballenger  
Barr  
Bartlett  
Barton  
Bass  
Bateman  
Bentsen  
Berkley  
Berman  
Berry  
Bilirakis  
Bishop  
Bliley  
Blunt  
Boehlert  
Bonilla  
Bonior  
Bono  
Borski  
Boucher  
Boyd  
Brady (PA)  
Brady (TX)  
Brown (FL)  
Brown (OH)  
Bryant  
Burr  
Burton  
Callahan  
Camp  
Canady  
Cannon  
Capps  
Capuano  
Cardin  
Castle  
Chambliss  
Chenoweth  
Clay  
Clayton  
Clement  
Clyburn  
Coburn  
Collins  
Combest  
Condit  
Conyers  
Cook  
Cooksey  
Costello  
Coyne  
Cramer  
Crowley  
Cubin  
Cummings  
Cunningham  
Danner  
Davis (FL)  
Deal  
DeFazio  
DeGette  
DeLauro  
DeLay  
Deutsch

Nussle  
Oberstar  
Obey  
Pallone  
Pascrell  
Paul  
Payne  
Pease  
Peterson (MN)  
Petri  
Pomeroy  
Portman  
Pryce (OH)  
Ramstad  
Rogan  
Rohrabacher  
Rothman  
Roybal-Allard  
Royce  
Rush  
Ryan (WI)  
Sabo

NOES—318

Diaz-Balart  
Dicks  
Dingell  
Doggett  
Doolittle  
Doyle  
Duncan  
Dunn  
Edwards  
Ehlers  
Ehrlich  
Emerson  
Engel  
English  
Etheridge  
Everett  
Farr  
Fattah  
Filner  
Fletcher  
Foley  
Forbes  
Ford  
Fossella  
Franks (NJ)  
Frelinghuysen  
Frost  
Gallegly  
Gejdenson  
Gekas  
Gephardt  
Gibbons  
Gilchrest  
Gillmor  
Gilman  
Gonzalez  
Goode  
Goodlatte  
Gooding  
Gordon  
Graham  
Granger  
Green (TX)  
Greenwood  
Hall (OH)  
Hall (TX)  
Hansen  
Hastings (FL)  
Hastings (WA)  
Hayes  
Hayworth  
Hill (IN)  
Hill (MT)  
Hilleary  
Hilliard  
Hinchey  
Hinojosa  
Hoeffel  
Holden  
Holt  
Hooley  
Horn  
Houghton  
Hoyer  
Hulshof  
Hunter  
Hutchinson  
Inslee  
Isakson  
Jackson-Lee  
(TX)  
Jefferson  
Jenkins  
John  
Johnson (CT)

Salmon  
Sanchez  
Schakowsky  
Sensenbrenner  
Sessions  
Shaw  
Shays  
Sherman  
Souder  
Stupak  
Tancredo  
Terry  
Thune  
Tierney  
Upton  
Vento  
Visclosky  
Waxman  
Weller  
Wu

Jones (NC)  
Jones (OH)  
Kanjorski  
Kelly  
Kennedy  
Kildee  
Kilpatrick  
King (NY)  
Kingston  
Klink  
Knollenberg  
Kucinich  
Kuykendall  
LaFalce  
Lampson  
Lantos  
Larson  
Lazio  
Lee  
Levin  
Lewis (CA)  
Lewis (GA)  
Lewis (KY)  
Linder  
LoBiondo  
Lowe  
Lucas (KY)  
Lucas (OK)  
Lucas (TX)  
Maloney (CT)  
Martinez  
Mascara  
McCarthy (MO)  
McCarthy (NY)  
McCollum  
McCrery  
McGovern  
McHugh  
McInnis  
McIntyre  
McKeon  
McKinney  
McNulty  
Meek (FL)  
Meeks (NY)  
Metcalf  
Mica  
Millender-  
McDonald  
Miller, Gary  
Miller, George  
Mink  
Moakley  
Mollohan  
Moore  
Moran (KS)  
Moran (VA)  
Morella  
Murtha  
Myrick  
Nadler  
Napolitano  
Neal  
Nethercutt  
Ney  
Northup  
Norwood  
Oliver  
Ortiz  
Owens  
Oxley  
Packard  
Pastor  
Paul  
Pease  
Pelosi  
Peterson (PA)  
Phelps  
Pickering  
Pickett  
Pitts  
Pombo  
Price (NC)  
Quinn  
Radanovich  
Rahall  
Rangel  
Reyes  
Reynolds  
Riley  
Rivers  
Rodriguez  
Roemer  
Rogers  
Ros-Lehtinen  
Roukema  
Ryun (KS)  
Salmon  
Sanders  
Sandlin  
Saxton  
Schaffer  
Scott  
Serrano  
Shadegg  
Sherman  
Sherwood  
Shimkus  
Shows  
Shuster  
Simpson  
Sisisky  
Skean  
Skelton  
Slaughter

Phelps Shimkus Thurman  
 Pickering Shows Tiaht  
 Pickett Shuster Toomey  
 Pitts Simpson Towns  
 Pombo Sisisky Traficant  
 Porter Skeen Turner  
 Price (NC) Skelton Udall (CO)  
 Quinn Slaughter Udall (NM)  
 Radanovich Smith (MI)  
 Rahall Smith (NJ)  
 Rangel Smith (TX)  
 Regula Smith (WA)  
 Reyes Snyder  
 Reynolds Spence  
 Riley Spratt  
 Rivers Stabenow  
 Rodriguez Stark  
 Roemer Stearns  
 Rogers Stenholm  
 Ros-Lehtinen Strickland  
 Roukema Stump  
 Ryan (KS) Sununu  
 Sanders Sweeney  
 Sandlin Talent  
 Sanford Tanner  
 Sawyer Tauscher  
 Saxton Taylor (MS)  
 Schaffer Taylor (NC)  
 Scott Thomas  
 Serrano Thompson (CA)  
 Shadegg Thompson (MS)  
 Sherwood Thornberry

## NOT VOTING—6

Coble Fowler Scarborough  
 Dickey Istook Tauszin

## □ 1619

The amendment was rejected.

The result of the vote was announced as above recorded.

## AMENDMENT NO. 7 OFFERED BY MR. MANZULLO

The CHAIRMAN pro tempore (Mr. THORNBERRY). The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Illinois (Mr. MANZULLO) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

## RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 113, noes 315, not voting 5, as follows:

[Roll No. 434]

## AYES—113

Archer Dooley Latham  
 Arney Dreier LaTourette  
 Baldwin Eshoo Leach  
 Barrett (NE) Evans Linder  
 Barrett (WI) Ewing Lipinski  
 Berman Frank (MA) Lofgren  
 Biggert Goss Luther  
 Bilbray Green (WI) Maloney (NY)  
 Blagojevich Gutierrez Manzano  
 Blumenauer Gutknecht Matsui  
 Boehner Hefley McDermott  
 Boswell Herger McClintock  
 Buyer Hostettler McIntosh  
 Calvert Hyde Meehan  
 Campbell Istook Menendez  
 Capps Jackson (IL) Miller (FL)  
 Carson Johnson, E. B. Minge  
 Chabot Johnson, Sam Northup  
 Cox Kaptur Nussle  
 Crane Kasich Oberstar  
 Davis (IL) Kind (WI) Oby  
 DeGette Kleczka Oxley  
 Delahunt Kolbe Pallone  
 DeMint LaHood Pascrell  
 Dixon Largent Payne

Peterson (MN) Sabo  
 Petri Salmon  
 Pomeroy Sanchez  
 Portman Sanford  
 Pryce (OH) Schakowsky  
 Ramstad Sensenbrenner  
 Rogan Sessions  
 Rohrabacher Shaw  
 Rothman Shays  
 Roybal-Allard Sherman  
 Royce Shimkus  
 Rush Souder  
 Ryan (WI) Stupak

## NOES—315

Abercrombie Ehrlich  
 Ackerman Emerson  
 Aderholt Engel  
 Allen English  
 Andrews Etheridge  
 Bachus Everett  
 Baird Farr  
 Baker Fattah  
 Baldacci Filner  
 Ballenger Fletcher  
 Barcia Foley  
 Barr Forbes  
 Bartlett Ford  
 Barton Fossella  
 Bass Franks (NJ)  
 Bateman Frelinghuysen  
 Becerra Frost  
 Bentsen Gallegly  
 Bereuter Ganske  
 Berkley Gejdenson  
 Berry Gekas  
 Bilirakis Gephardt  
 Bishop Gibbons  
 Bliley Gilchrest  
 Blunt Gillmor  
 Boehlert Gilman  
 Bonilla Gonzalez  
 Bonior Goode  
 Bono Goodlatte  
 Borski Goodling  
 Boucher Gordon  
 Boyd Graham  
 Brady (PA) Granger  
 Brady (TX) Green (TX)  
 Brown (FL) Greenwood  
 Brown (OH) Hall (OH)  
 Bryant Hall (TX)  
 Burr Hansen  
 Burton Hastings (FL)  
 Callahan Hastings (WA)  
 Camp Hayes  
 Canady Hayworth  
 Cannon Hill (IN)  
 Capuano Hill (MT)  
 Cardin Hilleary  
 Castle Hilliard  
 Chambliss Hinchey  
 Chenoweth Hinojosa  
 Clay Hobson  
 Clayton Hoeffel  
 Clement Hoekstra  
 Clyburn Holden  
 Coburn Holt  
 Collins Hooley  
 Combest Horn  
 Condit Houghton  
 Conyers Hoyer  
 Cook Hulshof  
 Cooksey Hunter  
 Costello Hutchinson  
 Coyne Inslee  
 Cramer Jackson-Lee  
 Crowley (TX)  
 Cubin Jefferson  
 Cummings Jenkins  
 Cunningham John  
 Danner Johnson (CT)  
 Davis (FL) Jones (NC)  
 Davis (VA) Jones (OH)  
 Deal Kanjorski  
 DeFazio Kelly  
 DeLauro Kennedy  
 DeLay Kildee  
 Deutsch Kilpatrick  
 Diaz-Balart King (NY)  
 Dicks Kingston  
 Dingell Klink  
 Doggett Knollenberg  
 Doolittle Kucinich  
 Doyle Kuykendall  
 Duncan LaFalce  
 Dunn Lamson  
 Edwards Lantos  
 Ehlers Larson

Sununu  
 Tancredo  
 Tauscher  
 Terry  
 Thune  
 Tierney  
 Toomey  
 Vento  
 Visclosky  
 Waxman  
 Weller  
 Wu

Lazio  
 Lee  
 Levin  
 Lewis (CA)  
 Lewis (GA)  
 Lewis (KY)  
 LoBiondo  
 Lucas (KY)  
 Lucas (OK)  
 Maloney (CT)  
 Markey  
 Martinez  
 Mascara  
 McCarthy (MO)  
 McCarthy (NY)  
 Frost  
 McCollum  
 McCrery  
 McGovern  
 McHugh  
 McIntyre  
 McKeon  
 McKinney  
 McNulty  
 Meek (FL)  
 Meeks (NY)  
 Metcalf  
 Mica  
 Millender-McDonald  
 Miller, Gary  
 Miller, George  
 Mink  
 Moakley  
 Mollohan  
 Moore  
 Moran (KS)  
 Moran (VA)  
 Morella  
 Murtha  
 Myrick  
 Nadler  
 Napolitano  
 Neal  
 Nethercutt  
 Ney  
 Norwood  
 Olver  
 Ortiz  
 Hobson  
 Hoeffel  
 Hoekstra  
 Holden  
 Holt  
 Hooley  
 Horn  
 Houghton  
 Hoyer  
 Hulshof  
 Hunter  
 Hutchinson  
 Inslee  
 Jackson-Lee (TX)  
 Jefferson  
 Jenkins  
 John  
 Johnson (CT)  
 Jones (NC)  
 Jones (OH)  
 Kanjorski  
 Kelly  
 Kennedy  
 Kildee  
 Kilpatrick  
 King (NY)  
 Kingston  
 Klink  
 Knollenberg  
 Kucinich  
 Kuykendall  
 LaFalce  
 Lamson  
 Lantos  
 Larson

Scott  
 Serrano  
 Shadegg  
 Sherwood  
 Shows  
 Shuster  
 Simpson  
 Sisisky  
 Skeen  
 Skelton  
 Slaughter  
 Smith (MI)  
 Smith (NJ)  
 Smith (TX)  
 Smith (WA)  
 Snyder  
 Spence  
 Spratt  
 Stabenow  
 Stark  
 Stearns  
 Stenholm

Coble  
 Dickey

Strickland  
 Stump  
 Sweeney  
 Talent  
 Tanner  
 Tauszin  
 Taylor (MS)  
 Taylor (NC)  
 Thomas  
 Thompson (CA)  
 Thompson (MS)  
 Thornberry  
 Thurman  
 Tiaht  
 Towns  
 Traficant  
 Turner  
 Udall (CO)  
 Udall (NM)  
 Upton  
 Velazquez  
 Vitter

## NOT VOTING—5

Fowler  
 Isakson  
 Scarborough

## □ 1627

Mr. BECERRA changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore. It is now in order to consider amendment No. 8 printed in Part B of House Report 106-324.

## AMENDMENT NO. 8 OFFERED BY MR. BOEHNER

Mr. BOEHNER. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 8 offered by Mr. BOEHNER:

Strike sections 1 and 2 and insert the following new section:

**SECTION 1. TERMINATION OF MILK MARKETING ORDERS ON JANUARY 1, 2001.**

(a) TERMINATION.—Effective January 1, 2001, section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by striking paragraphs (5) and (18) relating to milk and its products. On that date, the Secretary of Agriculture shall terminate all existing Federal milk marketing orders issued under such section.

(b) PROHIBITION ON SUBSEQUENT ORDERS REGARDING MILK.—Section 8c(2) of the Agricultural Adjustment Act (7 U.S.C. 608c(2)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) by striking "Milk, fruits" and inserting "Fruits"; and

(2) by inserting "milk," after "honey," in subparagraph (B).

(c) CONFORMING AMENDMENTS.—(1) Section 2(3) of the Agricultural Adjustment Act (7 U.S.C. 602(3)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by striking " , other than milk and its products, " .

(2) Section 8c of such Act (7 U.S.C. 608c) is amended—

(A) in paragraph (6), by striking " , other than milk and its products, " ;

(B) in paragraph (7)(B), by striking "(except for milk and cream to be sold for consumption in fluid form)";

(C) in paragraph (11)(B), by striking "Except in the case of milk and its products, orders" and inserting "Orders";

(D) in paragraph (13)(A), by striking " , except to a retailer in his capacity as a retailer of milk and its products " ; and

(E) in paragraph (17), by striking the second proviso, which relates to milk orders.

(3) Section 8d(2) of such Act (7 U.S.C. 608d(2)) is amended by striking the second sentence, which relates to information from milk handlers.

(4) Section 10(b)(2) of such Act (7 U.S.C. 610(b)) is amended—

(A) by striking clause (i);

(B) by redesignating clauses (ii) and (iii) as clauses (i) and (ii), respectively; and

(C) in clause (i) (as so redesignated), by striking "other commodity" in the first sentence and inserting "commodity".

(5) Section 11 of such Act (7 U.S.C. 611) is amended by striking "and milk, and its products,".

(6) Section 715 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1994 (Public Law 103-111; 107 Stat. 1079; 7 U.S.C. 608d note), is amended by striking the third proviso, which relates to information from milk handlers.

(d) EFFECTIVE DATE.—The amendments made by subsections (b) and (c) shall take effect on January 1, 2001.

The CHAIRMAN pro tempore. Pursuant to House Resolution 294, the gentleman from Ohio (Mr. BOEHNER) and a Member opposed each will control 30 minutes.

The Chair recognizes the gentleman from Ohio (Mr. BOEHNER).

□ 1630

Mr. BOEHNER. Mr. Chairman, I ask unanimous consent that the gentleman from Wisconsin (Mr. OBEY) be allowed to control 15 minutes of the proponent's time.

The CHAIRMAN pro tempore (Mr. THORNBERRY). Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BOEHNER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think everybody knows, when one lets milk sit around too long, it spoils, and it goes bad. It really is not any different for U.S. dairy policy that, after 62 years of a federally government-imposed marketing system for dairy in America, that maybe it is time to take a very serious look at it.

Today we have had a very healthy debate about dairy policy, and I am sure some of our colleagues are tired of hearing about this policy. But I think we now get to the core, the real debate about what ought to happen in the future.

The gentleman from Wisconsin (Mr. OBEY) and I have an amendment that says very simply that we ought to eliminate the milk market order system for dairy farmers in America.

We all know that, over the last 5 years, the last 10 years, the last 20 years, probably over the last 20, half of the dairy farms in America have gone out of business. Mr. Chairman, there is only one constant, only one constant that has been out there over those last 20 years as dairy farmers have gone out of business, and that is a federally mandated milk market order system.

Yes, it is the Federal Government that has controlled prices, not allowed dairy farmers to succeed, and literally

pushed small farmers right out of the market. Until we get out of the way and let the market begin to set prices, fair prices for all farmers, regardless of where they are in America, I think until we do that, we are making a big mistake.

Today on the floor, we talked about the 34 marketing orders that are going to 11 marketing orders. Members probably heard about four different classes of milk depending upon how it is used. Why would the Federal Government want to decide how many different classes of milk that we have?

My colleagues have heard about four separate pricing schemes that we have for milk in our country. They have heard about differentials, the fact that we price milk based on how far it is from Eau Claire, Wisconsin. What a bizarre notion, in 1999, that the Federal Government in Washington, D.C. knows how to price milk for a farmer in Vermont or a farmer in Idaho. Why would we not let the market determine it?

We have also heard today about the USDA bureaucracy. Think of how many thousands of employees we have sitting right down the street determining how these prices should work, how these pricing schemes should work, and how it should be "fair" for all dairy farmers.

My colleagues have heard about pooling, pooling different prices from around the country so that we can determine what the fair price to the dairy farmer is. They have heard about forward contracting. We wanted to actually give farmers the ability to go out and contract on their own, if they wanted to. Why cannot we allow farmers to do it? But, no, the House said no and did not vote that way.

We have heard about the mailbox price for milk as compared with the federal milk market order blend price. Now, when we start to look at the complexity of the milk marketing order system, I point all of my colleagues to this chart, this chart that says how we price milk in America. This is how we do it: from the laws that we pass here to the bureaucracy at the USDA to the different marketing orders and the pooling and every month that we have to determine what is the fair price for our farmers.

ANNOUNCEMENT BY THE CHAIRMAN PRO  
TEMPORE

The CHAIRMAN pro tempore. All persons in the gallery are here as guests of the Chamber. Quiet is requested.

Mr. BOEHNER. So why do we have all of this, Mr. Chairman? We have this because, in 1937, in the midst of the Depression, we had a serious problem affecting dairy farmers. The Federal Government decided on an emergency basis we were going to set up this program to try to ensure that we kept dairy farmers on the farm and we were able to get fresh milk to the marketplace.

Now, that was 1937. This is 1999. Interstate highways, refrigerated

trucks. My goodness, we have come a long way. I think it is time for all of us to take a big view of what has happened today, get out of the minutia of whether it is 1-A or 1-B, because either way, it is not going to make a dime's worth of difference to any dairy farmer. Then look at what we really can do to help the family farmer in America.

What we can do to help that family farmer is to get rid of this, get rid of this convoluted 62-year-old program that has failed the farmer and has failed our consumers in this country.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN pro tempore. Does a Member wish to claim the time in opposition to the amendment?

Mr. BLUNT. Mr. Chairman, I rise to claim the time in opposition, and I ask unanimous consent that, in my absence, the gentleman from Texas (Mr. COMBEST) be permitted to control the time.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BLUNT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we just saw a chart on how we price milk. What we did not see is a chart on why we price milk, why that has been seen as an important and significant role of both the Federal Government and for the health of the country for the last several years.

Market orders ensure a fresh local supply of milk. This is a perishable product, unlike most other products on the farm. I was raised on a dairy farm. I still live on a small farm. Most of the things on the farm one can have some control over. One can put them in an elevator. One can leave them on pasture a little longer. One cannot do that with what happens every day at the dairy barn. That has a very short life.

It is a hard product to recreate. If one sees people going out of the dairy business, one seldom sees them go back in. Once there are not local dairies, it is pretty hard to imagine there will ever be local production of that product again.

The 2 or 3 days of transportation does matter. In terms of what farmers would like to see, they just had the option of voting on a plan that I am convinced they did not like, 1-B or no market order at all; and they clearly said they did not want market orders.

The letters we received from farmers, the various articles that Members have seen on this issue indicated that many people voted for an option they did not like because the option that they thought absolutely would not work if one is a family farmer, if one is a dairy farmer, was the option of having no marketing system for milk in this country.

So I rise in opposition to this amendment, and I have a number of my colleagues who want to speak in opposition to the amendment.

Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. HOUGHTON).

Mr. HOUGHTON. Mr. Chairman, this is, to my infinite wisdom, parochial as it may be, not a complicated issue. I used to be in business. I produced the product. The laws of supply and demand worked. We abided by them. We did not want to have any government inference, no marketing orders, no anything. It had worked.

This is different. The laws of supply and demand simply do not work in this business. It has been proven over and over again. That is number one.

Number two, if one tries to sell something and one's customer does not want it, it is not a very good deal. As the gentleman from Missouri (Mr. BLUNT) was saying, 96 percent of the farmers voted against eliminating marketing orders. To me, that is a very clear message.

So we can sit here; we can intellectualize what is best for the American family and what is best in terms of food supply. If the customers do not want it, we should not try to sell it.

Mr. OBEY. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, I would ask Members of the House, when is the last time they have seen the gentleman from Ohio (Mr. BOEHNER) and the gentleman from Wisconsin agree on anything? It has been a long time.

The reason we are here is because of Old Bossy. Old Bossy is a Holstein cow. Now, if one is Farmer Jones, and one milks Old Bossy in Oklahoma, the Government says one gets a bonus of \$1.40 for every hundred pounds of milk one can get from Old Bossy in comparison to what one would get if one milks that same Old Bossy in the State of Illinois.

Now, if my colleagues can convince me that that makes sense, I would nominate them for the Pulitzer Prize in any field they want to name. I would nominate them for the Nobel Prize or any other prize they want. But I do not think they can convince me. I do not think they can convince the members of the press. I do not think they can convince farmers. And I do not think they can convince the general public that that system makes very much sense.

Now, the market does not dictate that difference in price; the law does. That is what makes it even crazier. Welcome back, Henry Wallace. Things have not changed since 1937, except for 1985, when this whole system got even crazier. Because in 1985, a fellow by the name of Tony Coelho, my good friend and colleague, came to this floor; and he decided that those bonuses were not big enough. He was going to make them even bigger. So he did.

Now, we could have lived, I guess, with the original differentials, as bad as they were, because they were at least determined by agricultural economists who were trying to balance the needs of all regions fairly. But in 1985 that system was changed, and it was switched to a straight decision based on raw political power.

Now, 3 years later, Steve Gunderson, then Chair of the dairy subcommittee,

tried to get reform pushed through. He was told by the leadership of this House, Sorry, you cannot have a legislative remedy. All we are going to do is give you an opportunity for an administrative remedy. Let the USDA decide what is fair. So we said okay.

That is what USDA did. They brought forth modest, and I mean modest, reforms. Now what has happened, the very folks who said we could not have a legislative remedy are now saying, oh, gee whiz, we do not like what the administrative remedy was. So we are going to overturn it through this legislation.

That is why my colleagues have the gentleman from Ohio (Mr. BOEHNER) and I united today. Because I for one have concluded that, while I prefer supply management, dairy is the only industry in the world I know of where one does not cut back supply in order to meet demand. But if one cannot get supply management, then one ought to have a reasonable government program that dictates how this is handled.

But we do not have a reasonable government program. We have a totally arbitrary program based on how many votes one can get on this floor, not based on the legitimate economic needs of every farmer in the country regardless of where they come from.

That is why I have reluctantly concluded, if we cannot get a square deal out of this Congress, then let us not have any deal at all. Let the market deal it. Then at least we will not have politicians to blame for the ridiculous situation you have across this country when it comes to dairy prices. That is why I support this amendment. I urge my colleagues to support it along with us.

Mr. BLUNT. Mr. Chairman, I yield 4 minutes to the gentleman from Vermont (Mr. SANDERS).

Mr. SANDERS. Mr. Chairman, I thank the gentleman from Missouri for yielding me this time.

Mr. Chairman, I agree with the gentleman from Wisconsin (Mr. OBEY) that what we need is strong supply management, and I am a strong advocate of a two-tier supply management system. I also agree with the gentleman from Wisconsin (Mr. OBEY) that the current system is far from perfect. But I strongly disagree with him in saying that we have got to junk the whole system because what we have now is not perfect.

The fact of the matter is that, just last month, dairy farmers all over this country had the option of essentially voting for the Boehner-Obey point of view. They had the option of saying, well, the current system is not perfect. They had the option of voting for 1-B, which, in my view, is strongly flawed, or letting the current system expire and have nothing. But farmers who knew that the current system is not perfect said overwhelmingly by 96 percent that we need to have federal milk price supports, and that is what they voted for.

□ 1645

Mr. Chairman, there is no question in my mind, none whatsoever, that at a time when all over this country, in Wisconsin, in Vermont, in the Midwest, all over, when family farmers are going out of business, when today family farmers are receiving, in terms of inflation accounted for dollars, much, much less than they received 15 or 20 years ago, when they are struggling just to keep their heads above water, there is no doubt in my mind that if we approved this measure and did away with all price supports that what we would see is a rapid acceleration in the decline of family farms all over this country, especially the small farms.

Mr. Chairman, during the last 6 years alone, we have seen a decline to the tune of 26 percent of dairy farms in this country. And what we are also seeing is that while the small farms go under, in terrible numbers, in Vermont, in Wisconsin, all over this country, that the larger farms are becoming larger and gaining a greater share of the market. For example, in 1978, farms with 50 cows or less produced 40 percent of the milk supply. By 1997, that same size farm produced only 12 percent of the milk in our country. And the trend is very clear: Fewer and fewer large farms produce more and more of the milk, while small farms are rapidly going out of business.

If the Boehner-Obey amendment were to pass, this process would rapidly accelerate, and I will tell my colleagues what this country will look like in 20 years. What we will have, literally, is a handful of giant agri-business corporations controlling the production and distribution of dairy products all over this country. And that would be a disaster not only for rural America and the economies of rural America, that would be a disaster not only for the environment and keeping our land green, it would be a disaster for consumers as well.

I have, I believe, one of the strongest pro-consumer voting records in the House of Representatives, and I will challenge anyone who thinks that the consumer benefits when a handful of giant corporations will control the production and distribution of dairy products. So if my colleagues are for the consumer, if they are for the family farmer, if they are for the environment, they will vote against this amendment and vote for final passage. Let us do what little we can to protect the family farmer.

Mr. BOEHNER. Mr. Chairman, I yield 1 minute to the gentleman from South Carolina (Mr. SANFORD).

Mr. SANFORD. Mr. Chairman, I want to refute two of the points that have come up. I grew up on a farm in South Carolina, and we raised tomatoes and shrimp. Yet we have been told in this debate so far that milk is different, it is a perishable product. How many of my colleagues want to buy spoiled tomatoes or rotten shrimp? Nobody.

So there are a lot of other goods that somehow miraculously make their way

from the farm to the grocery store without a price-fixing system in place. I would make that one point.

The second point that I would make would be if we had a price-fixing system on the farm that I grew up on for shrimp or for tomatoes, would we want to leave that system in place? Absolutely. But to say that those farmers who voted for that, those few that happened to benefit, that that should be the barometer by which we judge this amendment, I think, would be a big mistake.

Lastly, if we are going to go this route, why do we not adopt the ideas of pricing software based on its distance from Redmond, Washington, or the idea of pricing timber based on its distance from the Southeast. This does not make sense. This amendment does.

Mr. BLUNT. Mr. Chairman, I yield myself 10 seconds to point out that the USDA requires that milk be off the farm in one day. That is the case for no other product, and I am confident, I am sure it is not the case for either tomatoes or shrimp.

Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut (Mrs. JOHNSON).

Mrs. JOHNSON of Connecticut. Mr. Chairman, I rise in strong opposition to the amendment and in support of the underlying bill.

The issue really here is about food supply and food quality, but it is also about the quality of life in America. Farms preserve open space; they provide living evidence of man's dependence on the Earth and our responsibility for sound management of our environment.

In 1996, Congress recognized that we needed to reform the milk marketing order system; not that we needed to repeal it, but that we needed to reform it. And, in fact, the Option 1-A, just as the Option 1-B, was compiled by economists and professional staff of the USDA's agricultural marketing service. It takes into account more realistically transportation costs for fluid milk, regional supply and demand issues, costs of both producing and marketing milk, and the need to assure that milk can be produced in all the regions of the United States.

It is simply a fairer option. It is real reform. The system will be simpler, but it will be also sensitive to regional issues. That is why it is in everyone's interest to support the 1-A option in the underlying bill.

Mr. OBERSTAR. Mr. Chairman, I yield 3 minutes to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Chairman, I rise in support of the Boehner-Obey amendment and in opposition to H.R. 1402.

I do agree with many supporters of 1402 that we must do everything in our power to help small farmers who are suffering. The dairy industry is vitally important to my home State of New York, and I would be proud to support 1402 if it represented targeted relief

that would help New York's small family dairy farms. But we should not preserve an antiquated milk pricing system that punishes consumers throughout New York, both upstate and downstate, while doing little to help the farmers who need the help most.

Mr. Chairman, most of the debate today has focused on the impact of this legislation on farmers, but let us not forget how this legislation will affect consumers, including the families in my district and throughout this country. According to even the most conservative estimates, consumers will pay at least \$200 million more each year under this bill. Now, I know some of my colleagues may say that the price increases brought about by this bill may be small, but small increases in price can make a big difference to a working family struggling to get by, or to a struggling mother trying to make ends meet, or to programs such as WIC, food stamps, and the school lunch programs which are impacted tremendously by the price of milk.

Mr. Chairman, if we pass H.R. 1402, we are undoing USDA's very modest reforms and preserving a depression-era system that benefits no one. Over 300 Members of this body voted for the Freedom to Farm Bill that was based on the principle that we should have a free market for agriculture. But that bill exempted dairy and, instead, required USDA to implement the new milk marketing orders that we are here discussing today. This bill today threatens to undo even those modest reforms.

Rather than preserving this outdated system, we should continue to move to a free market for milk that is fair to both farmers and consumers. I urge my colleagues to support the Boehner-Obey amendment and to oppose 1402.

It has been noted that this will result in an increase of 22 cents a gallon by the change in the differential. That is a lot of money to a lot of people, and that will increase the price of milk.

Mr. Chairman, I yield back the balance of my time to the gentleman from Wisconsin (Mr. OBEY) to continue speaking up for consumers across this country. We should not make it harder on consumers and help big, large farmers.

Mr. BLUNT. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania (Mr. SHERWOOD).

Mr. SHERWOOD. Mr. Chairman, milk was left out of Freedom to Farm for a reason. Milk is different than wheat, and it is different than corn. As the gentleman from Wisconsin (Mr. OBEY) was talking about milking Bossie, that has to be done twice or three times a day 365 days a year. And that milk has to have a market. And no one dares to be able to take advantage of that little producer because they know he has to sell it right then.

This is a pretty good system that has been working since 1937, and the legislation here would change it greatly. I am as free market, free enterprise a

person as there is in this Congress. I never asked the government for a thing in my business. Milk is different. Dairy farming is different. What we need is a supply of fresh, wholesome milk so that WIC can have it, so poor families can have it, so we can all have it.

There is not a better system of milk distribution in the world than we have in the United States right now. The farmers voted to preserve it, it is working well, and I am in very much opposition to the amendment of my friend, the gentleman from Ohio (Mr. BOEHNER).

Mr. BOEHNER. Mr. Chairman, I yield 1 minute to the gentleman from Florida (Mr. MILLER).

Mr. MILLER of Florida. Mr. Chairman, I rise today in support of the amendment by the gentleman from Ohio (Mr. BOEHNER) and the gentleman from Wisconsin (Mr. OBEY) and in opposition to the underlying bill.

Passage of this bill would undermine the course that Congress set just 3 years ago towards agriculture reform. In the 1996 farm bill, Congress made a commitment to allow the USDA to make modest reforms to the controversial dairy price program after 3 years of public hearing process. Now that we have the final rule on milk marketing order reforms, people are trying to renege on that original goal of trying to reform with a simple modest plan.

As far as I am concerned, the proposal is not far enough, and that is the reason I am supportive of the Boehner-Obey amendment. It does not matter whether we are talking about milk, oranges, wheat, or sugar. We need to make our agricultural programs come into the 21st century and not go back to the 19th century. We have a real opportunity for real dairy reform today and we are doing a disservice to everyone if we do not pass this amendment to go to a free market type of plan.

Mr. Chairman, we cannot open up markets to our agricultural products to advocate free trade while we maintain the barriers on dairy. I advocate the support of the Boehner amendment.

Mr. BLUNT. Mr. Chairman, I yield 3½ minutes to the gentleman from California (Mr. POMBO), the subcommittee chairman that deals with these issues.

Mr. POMBO. Mr. Chairman, I thank the gentleman for yielding me this time, and I rise today in opposition to the amendment, not because I do not think that one day this amendment will be necessary and will come true, because I believe the gentleman from Ohio (Mr. BOEHNER) is right. I believe that this is the direction that we will ultimately end up going with American dairy.

But the problem that I have with this amendment at this time is that in 1996, when we started on the path of deregulating American agriculture, we said that there had to be a transition period, there had to be a period of time when we went from a heavy-handed,

government-regulated bureaucracy that dictated everything that happened in American agriculture to a time of free market. And I believe that that transition is taking place. It has been sometimes topsy-turvy, sometimes very difficult, but it is happening.

It is happening much slower than some people would like to see, including a dairyman that I just had lunch with not too long ago from my district. He told me that he knows that one day we will have an unregulated dairy economy, that we will not have the Federal Government setting prices. He said he knows that one day that is going to happen and that he looks forward to that day happening. But what will happen if this amendment passes today is that it would send the dairy economy into chaos immediately. And, unfortunately, we just cannot handle that right now.

I support what the gentleman from Ohio (Mr. BOEHNER) is trying to do in the aspect that the Federal Government should not be involved with how many cows somebody milks, how many pounds of milk they produce, and where they sell that. I do not want dairymen having to come back to Washington, D.C. to ask us for something, for some change on dairy policy. It should not happen. But we need an orderly transition to be able to go from this government-run bureaucracy that was handed to us before we pass a farm bill to a free market economy.

□ 1700

That transition is going to take place.

Now, the gentleman from Ohio (Mr. BOEHNER) held up a poster that had policies in place for going from the Congress to the cow and everything that had to happen in order for those prices to be set. That is the exact reason why this amendment cannot pass today.

So much dependency has grown up around that system that it is going to take some time to unwind all of that, and it is going to take some time to create a system that the American dairy farmers can understand and use, and eventually we will do that.

I would also like to say we have heard a lot of reasons why this amendment is not good, and a lot of those reasons are no longer relevant today.

American dairy farmers are the most efficient dairy farmers in the world. We have the most efficient delivery system of anywhere in the world, and we have the ability to compete with any dairy farmers in the world.

But in doing so, we need to take the time that is necessary to transition away from the dependency that has grown up around a bureaucratic government program to the free market.

I urge my colleagues to reject this amendment today. I pledge to my friend, the gentleman from Ohio (Mr. BOEHNER), to continue to work with him to see that his vision one day comes true.

Mr. OBEY. Mr. Chairman, I yield 2½ minutes to the distinguished gentleman from Wisconsin (Ms. BALDWIN).

Ms. BALDWIN. Mr. Chairman, I rise in support of the Boehner-Obey amendment.

Mr. Chairman, as my colleagues can see from this chart, eliminating milk market orders, which is what the Boehner-Obey amendment would do, would save approximately \$80 million every year.

The current, yet antiquated, milk marketing system, which would in essence remain in place under 1402, gives dairy farmers more money the farther away they are from Eau Claire, Wisconsin. This was a wise policy back in the 1930s because there were not refrigerated vehicles and there were no interstate transportation systems to ensure that all areas of the country received an adequate supply of milk.

In the 1930s, it was proper to provide incentives to farmers to milk in traditionally nondairy areas. But as we approach the new millennium, taxpayers should no longer prop up an unfair system that compensates farmers depending on where they live. It is wasteful and it makes no sense to taxpayers and consumers.

Now, let us be clear. Under H.R. 1402, more taxes would be needed to keep very important nutrition programs from having to cut needy families off their rolls. Take the WIC program for example. The Consumer Federation of America estimates that under 1402, unless additional taxes are provided, 3,700 women, infants and children could be kicked off the WIC rolls every year and more federal dollars would be needed to keep the food stamp program, the school lunch and breakfast program, and nutrition programs for the elderly at their current assistance levels.

Mr. Chairman, why should consumers and taxpayers subsidize dairy farmers based solely on where they milk their cows?

I urge support of the Boehner-Obey amendment.

Mr. BLUNT. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. SWEENEY.)

Mr. SWEENEY. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, we have been here all day debating this issue, and we have heard arguments on both sides and recurring arguments on both sides.

A minute ago I heard a colleague mention that what this amendment proposed by the gentleman from Ohio (Mr. BOEHNER) and the gentleman from Wisconsin (Mr. OBEY) will do is reaffirm a commitment made in 1996 by this Congress that would allow for the Department of Agriculture to modestly adjust the milk marketing orders and reflect more readily the marketplace. We refuted that a couple of hours ago when we pointed out that it is not a modest adjustment when we are going to cost dairy farmers in excess of \$2 million to \$400 million annually.

We have seen evidence presented throughout the last several years to the United States Department of Agriculture and input from all experts within the dairy community that said very clearly that Option 1-A was the option that we ought to pursue. Yet here we are with our final amendment before what I hope is final passage, and the Boehner-Obey amendment really operates under the premise that the milk marketing order system is an outdated system that does not reflect the marketplace at all, and we know that simply is not true as well.

To establish the prices that are used, the Department of Agriculture surveys the wholesale market prices of milk and milk products such as cheese and translates those prices into a fair market-based price for raw milk sold at the farm level.

We have heard throughout the day the discussions about why we need to do this with milk and why it is important, and I find it ironic that many of the same Members who are going to stand and speak and indeed vote for this amendment are the same folks who earlier today were trumpeting the results of the August daily referendum, were 95 percent of dairy farmers said they supported this system.

I urge my colleagues to support this safety net. I urge my colleagues one more time in the next vote to defeat an amendment that is intended to gut 1402.

Mr. BOEHNER. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin (Mr. PETRI).

Mr. PETRI. Mr. Chairman, I thank my colleague from Ohio for yielding me the time.

Mr. Chairman, the managers of well-run businesses periodically survey their operations. They take a hard look at everything they are doing and they ask a simple question, and that is: If we were not already doing this, would we start it up today? If not, it should probably be stopped.

Well, let us apply that same approach to the dairy program. If we were not already running this program today, would we even consider starting anything remotely like it? Would any sane person start a dairy program like the one we have today? If the answer is, no, and I believe it is at least, heck, no, then common sense tells us we should stop it.

To my colleagues who profess a belief in market economics, this is a test. Please vote their principles and support this amendment. To my colleagues who represent urban consumers, this is also a test. Please vote their constituents' clear interest, not some special interest, and support this amendment. To my colleagues who represent dairy farmers outside the Midwest, do not fear the free market. There were dairy farmers in all regions before the dairy program began, and there will be efficient dairy farmers in all regions after we end it. There will always be an advantage in proximity to local markets for fresh milk.

It is way past time for all of us to unite and cast off this horrible relic. I urge all my colleagues to support the amendment of the gentlemen.

Mr. COMBEST. Mr. Chairman, could the Chair tell us the remaining time.

The CHAIRMAN. The gentleman from Texas (Mr. COMBEST) has 14-<sup>3</sup>/<sub>4</sub> minutes remaining. The gentleman from Ohio (Mr. BOEHNER) has 7 minutes remaining. And the gentleman from Wisconsin (Mr. OBEY) has 6 minutes remaining.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from Maine (Mr. BALDACCI).

Mr. BALDACCI. Mr. Chairman, I thank the chairman for yielding me the time.

Mr. Chairman, to restate the issues that have been before us all day is that the issue of the 1-A, 1-B option before us is a developmental plan that was put forward by the Department of Agriculture and gone across the country in 11 different regions in trying to elicit and get support and get materials presented in regards to those options.

Those options are not going to cost consumers any more money than already is into the system now. The money that is being purported in terms of coming from different departments is money that is already going to the dairy farmers right now.

What is on issue now is that the 1-B option in the elimination of this marketing program will take away \$200 million from dairy farmers. It will take this money from the dairy farmers, and it will revert back to the industries or to wherever; but it is not going to be benefiting to the dairy farmers.

The formula is based on use. It is based on a weight between those uses of whether it is milk or ice cream or butter or cheese, and then they factor into a distance the further they are away from the market for transportation costs. And those issues have all been articulated.

The Department designed the options that we have before us; and in doing so, when we passed the reforms and seeing the impact of the reforms on our farmers, we only need to look at the billions of dollars that we are spending in agricultural assistance each year for the last 2 years to recognize that the freedom to farm has not been the success that many wanted it to be and the exemption of milk in that freedom to farm may have been a blessing in disguise and allows for more cooperation and more time and thoughtfulness to develop a system which maintains a floor for the dairy farmers, at the same time giving them the tools to be able to be successful in a more market-oriented economy, which 1-A would allow, which was designed by the Department.

The Department was not charged to reduce the farm income by \$200 million to dairy farmers and what was going to dairy farmers. It was asked to reform it and to make it more market oriented, which 1-A would do.

Mr. COMBEST. Mr. Chairman, I ask unanimous consent that the gentleman

from California (Mr. POMBO) be able to manage the time in opposition.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. OBEY. Mr. Chairman, I yield 2<sup>1</sup>/<sub>2</sub> minutes to the distinguished gentleman from Wisconsin (Mr. KIND).

(Mr. KIND asked and was given permission to revise and extend his remarks.)

Mr. KIND. Mr. Chairman, I thank my friend from Wisconsin for yielding me the time.

Mr. Chairman, I, quite frankly, am flabbergasted to understand where this \$200 million lost figure comes from because it just belies the facts.

In fact, USDA released an analysis over the past year what the basic formula price, what the producers would get through class I differentials under the reform proposals that they have announced and which will take effect on October 1.

Virtually every region in the country under the more free market-oriented pricing system actually sees more income in their pockets rather than less.

The Boston region, 38 cents per hundred-weight; Des Moines, \$1.22 more; New York 23 cents more; Philadelphia, they lost 2 cents this past year; St. Louis, 96 cents more; El Paso, 27; Atlanta, 69; Seattle, 42; Kansas City, 85; Cleveland, 87; Tampa, \$1.19 more; Louisville, 71; Boise, 82; Minneapolis, \$1.27.

In fact, the figures just released for the month of October this year, the first month when the reform takes effect, shows that on a national average the producers get 57 cents more per hundred-weight class I than they would under the 1402.

So the issue is simple. We can vote for passage of 1402 and by doing so we would be taking money out of, rather than putting more money into, the pockets of the producers over this past year and for the month of October.

Now, I commend my colleagues who are in support of 1402 for their desire to help the small family farmers. But if there has been one common denominator in this entire debate regardless of the region is that we can all stipulate that our family farm earnings have been suffering badly and they have been suffering for some time under the current system. But I submit that the continuation of the status quo with the government-set price differentials only encourages large corporate farms to produce for the mailbox and the Government check, rather than for basic economic principles of supply and demand.

Look at the increase of large corporate farms in these regions that see a higher price differential. They in turn put the squeeze on the small family farmers. So if we want to help the family farmers, let us support this amendment; let us have some confidence that they can compete under the principles of supply and demand, that we do believe in the marketplace,

and that we are not going to create these artificial price systems which will only encourage the larger operations to go into that because of the price differentials and ultimately hurt our small family farmers.

That is the direction that we should be going in, and that is why I support the Boehner-Obey amendment and would ask my colleagues to vote no on final passage.

Mr. BOEHNER. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. MANZULLO).

Mr. MANZULLO. Mr. Chairman, I represent five of the eight top dairy counties in the State of Illinois; and they are losing 10 to 15 percent of the dairy farmers each year.

If we are to sit around and wait for all these reforms to take place that the gentleman from California (Mr. POMBO) talks about over a period of time, there will not be any dairy farmers left in northern Illinois.

Mr. Chairman, the difference really is between milk and something like peaches, for example. The price that the dairy farmer gets is based upon how far his production is from Eau Claire, Wisconsin. The price that the peach grower gets is not based upon where his farm is in relation to somewhere in the State of Georgia.

What we are asking for here under the Boehner amendment is the last opportunity for the American dairy farmer to participate in the free market system. The Boehner amendment would allow that and, hopefully, will stop the elimination of all the dairy farmers in the district that I proudly represent.

Mr. POMBO. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from Ohio (Mr. BOEHNER) has 6 minutes remaining. The gentleman from Wisconsin (Mr. OBEY) has 3<sup>1</sup>/<sub>2</sub> minutes remaining. The gentleman from California (Mr. POMBO) has 12-<sup>3</sup>/<sub>4</sub> minutes remaining.

□ 1715

Mr. BOEHNER. Mr. Chairman I yield 2 minutes to the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Chairman, I would like to just point out, which we did earlier today, what this is about.

This is about the status quo of the market, and I would like to go through what the status quo is because a lot of Members around here do not exactly know how the price of milk is determined.

So, under the status quo, let me read how the price of milk is determined. There is the basic formula price, and there is the blended price.

Here is the basic formula price:

The BFP equals, basic formula price, equals last month's average price paid for manufacturing grade milk in Minnesota and Wisconsin plus current AA grade butter times 4.27 plus current nondry milk price times 8.07 minus

current dry-buttermilk price times .42 plus current cheddar cheese price times 9.87 plus current grade A butter price times .238 minus last month's grade A butter price times 4.27 plus last month's nondry milk price times 8.07 plus last month's dry-buttermilk price times .42 minus last month's cheddar cheese price times 9.87 plus last month's grade A butter price times .238 plus present butterfat minus 3.5 times current month's butter price times 1.38 minus last month's price of manufacturing grade milk in Minnesota and Wisconsin, times .028.

That is the basic formula price.

Mr. OBEY. Mr. Chairman, would the gentleman repeat that?

Mr. RYAN of Wisconsin. I will repeat it to the gentleman from Wisconsin (Mr. OBEY) after this, Mr. Chairman.

The blend formula price now takes that basic formula price, which I just mentioned plus .12 times the percent of milk used for cheese, powder, and butter plus the basic formula price, that formula I mentioned a second ago, plus .30 times the percent of milk used for ice cream and yogurt plus the formula price, the basic formula price, plus 1.04 plus .15 times the distance from Eau Claire, Wisconsin, divided by a hundred, all times the percent of milk used for fluid.

That is the current milk pricing system. That is the choice my colleagues are making, to perpetuate that if they vote for H.R. 1402.

If my colleagues want to scrap this 1937 abomination, Mr. Chairman, they should vote for the Boehner amendment, vote against 1402.

Mr. POMBO. Mr. Chairman, I yield 1 minute to the gentleman from New York (Mr. BOEHLERT).

(Mr. BOEHLERT asked and was given permission to revise and extend his remarks.)

Mr. BOEHLERT. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I just feel like I have heard Jay Leno's monolog for about the fifth time. It was amusing the first time, but the fact of the matter is what we are doing here today is going to have a profound impact on dairy farming in America.

Talk about turning a deaf ear to the will of the very people we are trying to help, Mr. Chairman. In August, we just had a referendum. Ninety-six percent of the farmers said they want to continue milk marketing orders.

Now I know we sometimes cannot resist the temptation to create chaos out of order, Mr. Chairman, but I would suggest that if we eliminate the milk marketing orders, that is exactly what we would be doing.

I do not want to identify with that effort. I want to identify with looking realistically at the plight of dairy farmers in America, and I must admit it, being a little bit selfish, I am particularly concerned with the plight of dairy farmers in beautiful upstate New York. They are in crisis. They need

some help, and I want to help. This amendment would not help, Mr. Chairman; 1402 would.

Mr. POMBO. Mr. Chairman, I yield 2½ minutes to the gentleman from Maryland (Mr. GILCHREST).

Mr. GILCHREST. Mr. Chairman, I thank the gentleman for yielding this time to me, and what I want to try to explain up here in the 2-minute time frame that I have is what is happening with the present amendment by my good friend from Ohio (Mr. BOEHNER) and the bill that I hope all my colleagues will vote for.

If the bill, if the amendment, passes by the gentleman from Ohio (Mr. BOEHNER), it will have a significant impact on the type of farming over a period of years that we have in the United States. Right now we have a mix of farming. We have some corporate farms, we have some family farms, and we have a mix of corporate family farms. We have some really big farms that are family farms. We have mega farms that are corporate farms that take in tens of thousands, hundreds of thousands of acres whether it is poultry, dairy, grain; just name it.

Right now though, we have a relatively pretty good mix of small family farms, big family farms, and pretty big corporate farms. If we vote for the gentleman from Ohio's amendment, what will happen is the shift will go from family farms, big family farms, to corporate farms, and it will shift from being all across the United States, whether one is a dairy farmer in New York, New England, South Carolina, California, Oklahoma, Montana, Ohio. The consolidation of agriculture then will go to corporate agriculture, and a consolidation of the dairy industry will go to the Midwest.

If I could draw just very briefly a map of the United States? Now, right now the Midwest is a big producer of dairy products. We have other dairy regions in the Northeast, the mid-Atlantic States, the Southeast, virtually all across the country. But with Mr. BOEHNER'S amendment, the focus of the dairy industry, the corporate dairy industry, will be concentrated in the Midwest.

Now there are several problems with that, but one of the problems is suppose this is a severe drought in the future, a concentration of dairy in the Midwest, without it in other areas of the country. If we had a drought, if we had an increase of pests, if we had an increase of disease, if we have floods, we do not have the safety net of the diversity of agriculture that we have right now.

So I will urge my colleagues to vote against the amendment and vote for the bill.

Mr. BOEHNER. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin (Mr. GREEN).

Mr. GREEN of Wisconsin. Mr. Chairman, I thank my colleague for yielding this time to me.

I would like to just briefly shift our focus away from the family dairy farm.

If this were merely a debate between dairy interests, it would not be as bitter as it is, and it would not be as important as it is.

Make no mistake. It is important because it affects nearly every aspect of our economy.

A quick reality check looking outside the Beltway. Heard a lot about the support for 1402 in this House, but when we go outside this House, and we turn to beyond the Beltway, the coalition against 1402 and the pricing scheme, it has ranged from the National Restaurant Association to the Teamsters; yes, the Consumer Federation of America, Americans for Tax Reform, the Snack Food Association, the AFL-CIO.

There is very little that could unite such a group. They are united in their opposition to 1402 and to this outdated pricing scheme. They view it as a tax on milk. It artificially increases the price of milk to consumers. Not only a tax, but a regressive tax because it hits those who can least afford it; and if we know anything about principles of taxation, we know this regressive tax will drive down the consumption of milk.

Can we afford that as a Nation? No. We want to increase consumption of milk and healthy products.

Finally, this will also hurt many of our antipoverty programs. The WIC dollars will not go as far, food stamps will not buy as much, all caused by this outdated pricing scheme, the very pricing scheme that 1402 seeks to reimpose.

End this. End the tax on milk. Introduce market forces. Free up dairy farmers to produce and to compete. Support the Boehner amendment and oppose 1402.

Mr. POMBO. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Chairman, I thank the gentleman for yielding this time to me, and I want to respond to the last speaker for just a moment when we start talking about this as a tax. Let me give my colleagues some mailbox prices. That is what dairymen have been receiving, average, for the first 5 months of this year.

Dallas, Texas or Texas order, \$14.13; the current retail price for milk in Dallas is \$2.50. In Minneapolis, Minnesota, the mailbox price was \$13.52, which is 51 cents less than Texas. But guess what? The retail price of milk in Minnesota as of today is \$2.99. In fact, New York City today, the price of milk, \$2.79. The farmers' mailbox price, \$14.43.

We can go right down the line on any of the mailbox prices that are determined through the Federal milk market order system that can be made to sound very complicated, which it is, but it accomplishes a very important goal for the dairy industry in that it provides a stabilizing way of pricing milk.

There is no one that can say that what the price the farmer gets is affecting what the consumer pays to the

degree that the previous speaker said it.

As my colleagues know, one of the things that I have said over and over in this debate, somehow, some way we have got to get away from this idea that only the dairy farmer or the corn farmer or the cotton farmer or the rice producer or the peanut producer has to constantly produce for less in order that the consumer might pay less when everyone in between does not do that. Remember, last December, there was an article in the Washington Post that stated their commodities winners and losers, and the losers were producers and consumers. And the article there had to do with cereal, and the price of cereal went up last December by 9 percent. Why did the cereal prices go up? Because the cost of advertising and marketing for the cereal manufacturers went up. Now that means that somebody's television contract went up, and it was judged important enough for the processors of cereal to increase their price to the consumer at the same time we were seeing the lowest prices to producers of grain since the Depression.

Now the tone and tenor of the argument today, and I know the gentleman from Ohio (Mr. BOEHNER) and the gentleman from Wisconsin (Mr. OBEY) have good intentions, I know that they believe that if we can just eliminate Federal market orders that the dairy industry would be better off in their regions or in the country as a whole. And I assume it is the country as a whole.

But to that argument, let me point out again dairy farmers in their regions and in every region had a chance to vote on whether they wanted to eliminate the Federal milk order last August, and from 90 to 99 percent of the dairy producers said, no, a resounding no, to the Boehner-Obey amendment. Why did they say that? If they believe that things are going to be better for dairy farmers, did they not vote it out when they had a chance? That is a question for this body to answer.

Now my colleagues will hear, already heard, the gentleman from Wisconsin mentioned a moment ago, that the latest figures, October, show that under the new pricing system that dairy farmers are going to get more money. That is true compared to the old, but it is irrelevant to whether or not we deal with 1402 or whether we deal with 1-B.

□ 1730

It is irrelevant. We are making changes. In spite of the fact that speaker after speaker after speaker said it is a decision or a choice between status quo, it is not. We said when we passed the farm bill that we wanted to reduce the number of orders. We are going from 31 to 11. When we went from 31 to 11, that meant we had to have another vote so the dairy farmers could say they agree with what Congress told USDA to do, and they voted overwhelmingly, not because they approved of everything. They have a difference

on 1-A and 1-B, and that is what this is all about.

While it may be true that under current conditions Class I prices will be higher in the USDA decision than under the current system, this effect is the result of changes in the calculations of manufacturing milk prices that Class I differentials are added to.

In spite of the fact that we continue to talk about milk being priced in one spot, Eau Claire, Wisconsin, that is not true. I do not know how many times we have to say, those of my colleagues arguing the other, that that was changed. We are not keeping the status quo. We do recognize that this system, the federal market order system, needed to be improved and we are doing that, whether we go 1-A or 1-B.

Mr. Chairman, I hope we will all oppose very strongly this amendment and support 1402. That is what the dairy farmers of America believe is in the best interest of their futures. Then I hope that we can get on with some more serious type of discussions as to how we deal with the real problem, the fact that prices for all agricultural commodities are too low. That is what it is all about.

Mr. OBEY. Mr. Chairman, could I inquire how much time is remaining for all parties.

The CHAIRMAN pro tempore (Mr. THORNBERRY). The gentleman from Wisconsin (Mr. OBEY) has 3½ minutes remaining. The gentleman from Ohio (Mr. BOEHNER) has 2 minutes remaining, and the gentleman from California (Mr. POMBO) has ¾ minutes remaining.

Mr. OBEY. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from Minnesota (Mr. PETERSON).

Mr. PETERSON of Minnesota. Mr. Chairman, I thank the gentleman from Wisconsin (Mr. OBEY) for yielding me this time.

Mr. Chairman, not to further muddy the waters but in this last speech by the distinguished ranking member he brought up an issue that I do not think has been talked about enough today and that is that we have a new way of establishing the manufacturing price of milk in the current rule that will go into effect on October 1.

What a lot of people have not focused on is in this bill we actually change what USDA recommended for the new manufacturing price. We legislate a make allowance that was done just in the committee, and then we ask them to go back to rulemaking and take another look at the manufacturing price.

One of the reasons that some of us have argued that this is a better system is because it is not just the Class I differential; it is a combination of this whole system.

I have here the prices for Class I milk that are going to be announced by the Department as determined by the rule that is going to go into effect October 1 if this Congress does not change that rule prior to that time.

In every order area, there is an increase in Class I milk over the current system. So those of my colleagues that are going to vote for 1402, they ought to take a look at this because the price of Class I milk, which is what everybody is concerned about, and I will admit that it is based on the new manufacturing price, but what the prices are going to be in southeastern Florida, for example, they are going to get \$1.32 more per hundred-weight. All through this system there is more money that is going to be available for farmers. And people ought to look at this before they vote on 1402.

Mr. OBEY. Mr. Chairman, I yield myself the remaining time.

Mr. Chairman, the question before us is very simple. Should the highest cost producers in this country get a special bonus from the taxpayers in order to drive up the overall supply of milk which drives down the price that all farmers in the country receive? That is the issue.

The USDA, in contrast to those of us who have regional biases, and that is all of us on this floor, the USDA is supposed to be neutral. What the USDA estimates is that if the modest reforms under Option 1-B had been in effect last year, over all dairy farmers throughout the country would be better off by 87 cents per hundred-weight for Class I milk and dairy earnings would be 15 to 20 cents per hundred-weight higher. That means a farmer with 50 cows, each producing 20,000 pounds of milk, would be \$1,500 to \$2,000 better off with the dairy reform preferred by USDA.

Dairy farmers nationwide, according to USDA, would have received \$300 million in additional income. They are not going to receive that if this legislation passes today. Since it appears that it is, then I would urge Members, as an alternative, to support the Boehner-Obey amendment because if Government is going to involve itself, it needs to do so in a fair manner.

It is clear that involvement is not fair in this instance, and that is why no involvement is better than unfair involvement.

Mr. Chairman, I yield back the balance of my time.

Mr. POMBO. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I just want to close by saying that I urge my colleagues to stick to the transition period that we all approved in the 1996 farm bill. That is the only fair way to take dairy from a regulated bureaucratic business into a free market economy, and I urge opposition to the bill.

Mr. Chairman, I yield back the balance of my time.

Mr. BOEHNER. Mr. Chairman I yield myself the balance of the time.

Mr. Chairman, I realize that the amendment that the gentleman from Wisconsin (Mr. OBEY) and I are offering comes to the floor today with some controversy, but I do appreciate all of my colleagues on the Committee on

Agriculture that have been here all day debating this issue, and I really appreciate the fact that we have had a quality debate on the future of dairy.

Now, I have had all my colleagues down here though defending the status quo, do nothing, do not let the USDA changes go into effect; yet out of the other side of their mouths they are describing the plight of dairy farmers in their region.

Now if the plight of dairy farmers is so great in their region, why do we not do something to help them? Why do we want to come to the floor today and preserve the status quo? That is why the gentleman from Wisconsin (Mr. OBEY) and I have this amendment because, in fact, today, the co-ops, where 76 percent of the milk in this country comes from, have taken the place of the Federal Government.

The co-ops are strong entities who are well equipped to go out and negotiate on behalf of their members with processors around the country. Why do we need a dual system where we have a government system in place, a co-op system in place, where the dairy farmer himself has no ability on his own to make decisions for himself?

The amendment we offer today will in fact help those dairy farmers achieve real success, because for 62 years we have never given them the chance to succeed, never given them a chance to succeed because they can only sell their milk based on the complicated price scheme that the gentleman from Wisconsin (Mr. RYAN) pointed out earlier.

How can my colleagues defend this antiquated, Depression-era, Soviet-style socialism in dairy that traps our farmers in a system that is never going to work? The fact is, let us help our farmers. Let us give them a chance to succeed by passing the Boehner-Obey amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Ohio (Mr. BOEHNER).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

## RECORDED VOTE

Mr. BOEHNER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 124, noes 302, not voting 7, as follows:

[Roll No. 435]

AYES—124

Archer	Boswell	Delahunt
Armey	Brown (FL)	DeLay
Baldwin	Buyer	DeMint
Barrett (NE)	Calvert	Doggett
Barrett (WI)	Campbell	Doolittle
Barton	Capps	Dreier
Berkley	Chabot	Duncan
Biggert	Coburn	Evans
Bilbray	Cox	Ewing
Blagojevich	Crane	Frank (MA)
Blumenauer	Davis (IL)	Ganske
Boehner	Davis (VA)	Goodlatte

Goss	Markey	Royce	Neal	Sanders	Taylor (NC)
Green (WI)	Martinez	Rush	Nethercutt	Sandlin	Thompson (CA)
Gutierrez	McDermott	Ryan (WI)	Ney	Sawyer	Thompson (MS)
Gutknecht	McIntosh	Sabo	Norwood	Saxton	Thornberry
Hall (OH)	Meehan	Salmon	Olver	Schaffer	Thurman
Herger	Meek (FL)	Sanford	Ortiz	Scott	Towns
Hobson	Menendez	Schakowsky	Owens	Serrano	Traficant
Hostettler	Miller (FL)	Sensenbrenner	Packard	Shadegg	Turner
Hyde	Minge	Sessions	Pastor	Sherwood	Udall (CO)
Istook	Moran (VA)	Shaw	Pease	Shimkus	Udall (NM)
Jackson (IL)	Northup	Shays	Pelosi	Shows	Upton
Johnson, E. B.	Nussle	Sherman	Peterson (PA)	Shuster	Velazquez
Johnson, Sam	Oberstar	Souder	Phelps	Simpson	Vitter
Jones (OH)	Obey	Stark	Pickering	Sisisky	Walden
Kaptur	Ose	Stupak	Pickett	Skeen	Walsh
Kasich	Oxley	Sununu	Pitts	Skelton	Waters
Kind (WI)	Pallone	Tancredo	Pombo	Slaughter	Watkins
Klecicka	Pascrell	Terry	Price (NC)	Smith (MI)	Watt (NC)
Kolbe	Paul	Thune	Quinn	Smith (NJ)	Watts (OK)
Kucinich	Payne	Tiahrt	Radanovich	Smith (TX)	Weiner
LaHood	Peterson (MN)	Tierney	Rahall	Smith (WA)	Weldon (FL)
Largent	Petri	Toomey	Rangel	Snyder	Weldon (PA)
Latham	Pomeroy	Vento	Regula	Spence	Wexler
LaTourette	Porter	Visclosky	Reyes	Spratt	Weygand
Leach	Portman	Wamp	Reynolds	Stabenow	Whitfield
Lee	Pryce (OH)	Waxman	Riley	Stearns	Wicker
Lipinski	Ramstad	Weller	Rivers	Stenholm	Wilson
Luther	Rogan	Wu	Rodriguez	Strickland	Wise
Maloney (NY)	Rohrabacher		Roemer	Stump	Wolf
Manzullo	Rothman		Rogers	Sweeney	Woolsey

## NOES—302

Abercrombie	DeGette	Hulshof
Ackerman	DeLauro	Hunter
Aderholt	Deutsch	Hutchinson
Allen	Diaz-Balart	Inslee
Andrews	Dicks	Isakson
Bachus	Dingell	Jackson-Lee
Baird	Dixon	(TX)
Baker	Dooley	Jenkins
Baldacci	Doyle	John
Ballenger	Dunn	Johnson (CT)
Barcia	Edwards	Jones (NC)
Barr	Ehlers	Kanjorski
Bartlett	Ehrlich	Kelly
Bass	Emerson	Kennedy
Bateman	Engel	Kildee
Becerra	English	Kilpatrick
Bentsen	Eshoo	King (NY)
Bereuter	Etheridge	Kingston
Berman	Everett	Klink
Berry	Farr	Knollenberg
Bilirakis	Fattah	Kuykendall
Bishop	Filner	LaFalce
Bliley	Fletcher	Lampson
Blunt	Foley	Lantos
Boehkert	Forbes	Larson
Bonilla	Ford	Lazio
Bonior	Fossella	Levin
Borski	Franks (NJ)	Lewis (CA)
Boucher	Frelinghuysen	Lewis (GA)
Boyd	Frost	Lewis (KY)
Brady (PA)	Gallegly	Linder
Brady (TX)	Gejdenson	LoBiondo
Brown (OH)	Gekas	Lofgren
Bryant	Gephardt	Lowey
Burr	Gibbons	Lucas (KY)
Burton	Gilchrest	Lucas (OK)
Callahan	Gillmor	Maloney (CT)
Camp	Gilman	Mascara
Canady	Gonzalez	Matsui
Cannon	Goode	McCarthy (MO)
Capuano	Goodling	McCarthy (NY)
Cardin	Gordon	McCollum
Carson	Graham	McCrary
Castle	Granger	McGovern
Chambliss	Green (TX)	McHugh
Chenoweth	Greenwood	McInnis
Clay	Hall (TX)	McIntyre
Clayton	Hansen	McKeon
Clement	Hastings (FL)	McKinney
Clyburn	Hastings (WA)	McNulty
Collins	Hayes	Meeks (NY)
Combest	Hayworth	Metcalf
Condit	Hefley	Mica
Conyers	Hill (IN)	Millender-
Cook	Hill (MT)	Hill (MD)
Cooksey	Hillery	McDonald
Costello	Hilliard	Miller, Gary
Coyne	Hinchee	Miller, George
Cramer	Hinojosa	Mink
Crowley	Hoeffel	Moakley
Cubin	Hoekstra	Mollohan
Cummings	Holden	Moore
Cunningham	Holt	Moran (KS)
Danner	Hooley	Morella
Davis (FL)	Horn	Murtha
Deal	Houghton	Myrick
DeFazio	Hoyer	Nadler
		Napolitano

Bono  
Coble  
Dickey

Sanders	Taylor (NC)
Sandlin	Thompson (CA)
Sawyer	Thompson (MS)
Saxton	Thornberry
Schaffer	Thurman
Scott	Towns
Serrano	Traficant
Shadegg	Turner
Sherwood	Udall (CO)
Shimkus	Udall (NM)
Shows	Upton
Shuster	Velazquez
Simpson	Vitter
Sisisky	Walden
Skeen	Walsh
Skelton	Waters
Slaughter	Watkins
Smith (MI)	Watt (NC)
Smith (NJ)	Watts (OK)
Smith (TX)	Weiner
Smith (WA)	Weldon (FL)
Snyder	Weldon (PA)
Spence	Wexler
Spratt	Weygand
Stabenow	Whitfield
Stearns	Wicker
Stenholm	Wilson
Strickland	Wise
Stump	Wolf
Sweeney	Woolsey
Talent	Wynn
Tanner	Young (AK)
Tauscher	Young (FL)
Tauzin	
Taylor (MS)	

## NOT VOTING—7

Fowler  
Jefferson  
Scarborough  
Thomas

□ 1802

Ms. LOFGREN and Mr. GREENWOOD changed their vote from "aye" to "no."

Messrs. JACKSON of Illinois, ROTHMAN, WAMP, and MENENDEZ, Mrs. JONES of Ohio, and Mr. MEEHAN changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. THOMAS. Mr. Chairman, on rollcall vote No. 435, I was unavoidably detained. Had I been present, I would have voted "nay."

The CHAIRMAN pro tempore (Mr. THORNBERY). The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN pro tempore. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. PEASE) having assumed the chair, Mr. Thornberry, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1402) to require the Secretary of Agriculture to implement the Class I milk price structure known as Option 1A as part of the implementation of the final rule to consolidate Federal milk marketing orders, pursuant to House Resolution 294, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on the amendment to the committee amendment in the nature of a substitute adopted by the Committee of the

Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. COMBEST. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 285, noes 140, not voting 8, as follows:

[Roll No. 436]

AYES—285

Abercrombie	Dingell	Kelly
Ackerman	Doyle	Kennedy
Aderholt	Duncan	Kildee
Allen	Dunn	Kilpatrick
Andrews	Edwards	King (NY)
Bachus	Ehrlich	Kingston
Baird	Emerson	Klink
Baker	Engel	Knollenberg
Baldacci	English	Kuykendall
Ballenger	Etheridge	LaFalce
Barcia	Everett	Lampson
Barr	Farr	Larson
Bartlett	Fattah	Lazio
Barton	Filner	Levin
Bass	Fletcher	Lewis (CA)
Bateman	Foley	Lewis (GA)
Bentsen	Forbes	Lewis (KY)
Bereuter	Fossella	Linder
Berkley	Franks (NJ)	LoBiondo
Berry	Frelinghuysen	Lowe
Bilirakis	Frost	Lucas (KY)
Bishop	Gejdenson	Lucas (OK)
Bliley	Gekas	Maloney (CT)
Blunt	Gephardt	Martinez
Boehrlert	Gibbons	Mascara
Bonilla	Gilchrist	McCarthy (MO)
Bonior	Gillmor	McCarthy (NY)
Borski	Gilman	McColum
Boucher	Gonzalez	McCree
Boyd	Goode	McGovern
Brady (PA)	Goodlatte	McHugh
Brady (TX)	Goodling	McInnis
Brown (FL)	Gordon	McIntosh
Bryant	Graham	McIntyre
Burr	Granger	McKeon
Burton	Green (TX)	McKinney
Callahan	Greenwood	McNulty
Camp	Hall (TX)	Meeks (NY)
Canady	Hansen	Metcalf
Cannon	Hastings (FL)	Mica
Capuano	Hastings (WA)	Miller, Gary
Cardin	Hayes	Miller, George
Castle	Hayworth	Mink
Chambliss	Hill (IN)	Moakley
Clayton	Hill (MT)	Mollohan
Clement	Hilleary	Moran (KS)
Clyburn	Hilliard	Morella
Coburn	Hinche	Murtha
Collins	Hinojosa	Myrick
Combest	Hoefel	Nadler
Condit	Hoekstra	Napolitano
Cook	Holden	Neal
Cooksey	Holt	Nethercutt
Costello	Hooley	Norwood
Coyne	Horn	Olver
Cramer	Houghton	Ortiz
Crowley	Hoyer	Packard
Cubin	Hulshof	Pastor
Cummings	Hunter	Pease
Cunningham	Hutchinson	Pelosi
Danner	Inslee	Peterson (PA)
Davis (FL)	Isakson	Phelps
Deal	Jackson-Lee	Pickering
DeFazio	(TX)	Pickett
DeLauro	Jenkins	Pitts
DeMint	John	Pombo
Deutsch	Johnson (CT)	Price (NC)
Diaz-Balart	Jones (NC)	Quinn
Dicks	Kanjorski	Radanovich

Rahall	Skelton	Towns
Rangel	Slaughter	Traficant
Regula	Smith (MI)	Turner
Reyes	Smith (NJ)	Udall (NM)
Reynolds	Smith (TX)	Upton
Riley	Smith (WA)	Vitter
Rivers	Snyder	Walden
Rodriguez	Spence	Walsh
Roemer	Spratt	Wamp
Rogers	Stabenow	Watkins
Ros-Lehtinen	Stearns	Watt (NC)
Roukema	Stenholm	Watts (OK)
Ryun (KS)	Strickland	Weiner
Sanders	Stump	Weldon (FL)
Sandlin	Sununu	Weldon (PA)
Saxton	Sweeney	Wexler
Schaffer	Talent	Weygand
Scott	Tanner	Whitfield
Serrano	Tauzin	Wicker
Shadegg	Taylor (MS)	Wilson
Sherwood	Taylor (NC)	Wise
Shimkus	Thomas	Wolf
Shows	Thompson (CA)	Woolsey
Shuster	Thompson (MS)	Wynn
Simpson	Thornberry	Young (AK)
Sisisky	Thurman	
Skeen	Tiahrt	

NOES—140

Archer	Herger	Pallone
Armey	Hobson	Pascrell
Baldwin	Hostettler	Paul
Barrett (NE)	Hyde	Payne
Barrett (WI)	Istook	Peterson (MN)
Becerra	Jackson (IL)	Petri
Biggert	Johnson, E. B.	Pomeroy
Bilbray	Johnson, Sam	Porter
Blagojevich	Jones (OH)	Portman
Blumenauer	Kaptur	Pryce (OH)
Boehner	Kasich	Ramstad
Boswell	Kind (WI)	Rogan
Brown (OH)	Kleczka	Rohrabacher
Buyer	Kolbe	Rothman
Calvert	Kucinich	Roybal-Allard
Campbell	LaHood	Royce
Capps	Lantos	Rush
Carson	Largent	Ryan (WI)
Chabot	Latham	Sabo
Chenoweth	LaTourrette	Salmon
Clay	Leach	Sanchez
Conyers	Lee	Sanford
Cox	Lipinski	Sawyer
Crane	Lofgren	Schakowsky
Davis (IL)	Luther	Sensenbrenner
Davis (VA)	Maloney (NY)	Sessions
DeGette	Manullo	Shaw
Delahunt	Markey	Shays
DeLay	Matsui	Sherman
Dixon	McDermott	Souder
Doggett	Meehan	Stark
Dooley	Meek (FL)	Stupak
Doolittle	Menendez	Tancredo
Dreier	Millender-	Tauscher
Ehlers	McDonald	Terry
Esho	Miller (FL)	Thune
Evans	Minge	Tierney
Ewing	Moore	Toomey
Frank (MA)	Moran (VA)	Udall (CO)
Gallegly	Ney	Velazquez
Ganske	Northup	Vento
Goss	Nussle	Visclosky
Green (WI)	Oberstar	Waters
Gutierrez	Obey	Waxman
Gutknecht	Ose	Weller
Hall (OH)	Owens	Wu
Hefley	Oxley	Young (FL)

NOT VOTING—8

Berman	Dickey	Jefferson
Bono	Ford	Scarborough
Coble	Fowler	

□ 1823

Mrs. MEEK of Florida changed her vote from "aye" to "no".

Ms. PELOSI changed her vote from "no" to "aye".

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. COMBEST. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1402, the bill just passed.

The SPEAKER pro tempore (Mr. THORNBERRY). Is there objection to the request of the gentleman from Texas?

There was no objection.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN THE ENGROSSMENT OF H.R. 1402, CONSOLIDATION OF MILK MARKETING ORDERS

Mr. COMBEST. Mr. Speaker, I ask unanimous consent that, in the engrossment of the bill (H.R. 1402), the Clerk be authorized to correct section numbers, punctuation, citations, and cross-references and to make such other technical and conforming changes as may be necessary to reflect the actions of the House in amending the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO FILE SUPPLEMENTAL REPORT ON H.R. 2559, AGRICULTURAL RISK PROTECTION ACT OF 1999

Mr. COMBEST. Mr. Speaker, I ask unanimous consent for the Committee on Agriculture to file a supplemental report to accompany H.R. 2559, the Agricultural Risk Protection Act of 1999.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 1555, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2000

Mr. GOSS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1555) to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida? The Chair hears none and, without objection, appoints the following conferees:

From the Permanent Select Committee on Intelligence, for consideration of the House bill, and the Senate amendment, and modifications committed to conference: