

From an economic standpoint cooperatives can improve the bottom line and cut out the middleman, they create efficiencies that allow cooperative members to be stock holders and receive rebates.

Cooperatives were born out of the low prices of the 1930's as the farmers' response to dealing with these low prices . . . now as we move towards consolidation and vertical integration farmers cooperatives in general will serve a more vital role than they have in the past.

Cooperatives will continue to hold down prices by creating diversity within the market place.

Electric cooperatives have been these since "the beginning" because they began electric power service in North Carolina. In the 1940s it simply wasn't profitable for established power companies to serve the sparsely-settled areas of eastern North Carolina.

The electric cooperatives have grown with my district. Without stable, reliable electric infrastructure, economic development could not have taken place.

Are they still needed today? Of course, they are. Cooperatives—owned by their customers—have been there when no one else wanted the outlying areas and they are still there, standing shoulder to shoulder with today's businesses ensuring that customers—large and small—can benefit in an ever-changing market environment.

Electric cooperatives are not just cooperatives in name only, they truly stand for "co-operation".

Hurricane Floyd provides an all too timely and graphic example as to the value of electric cooperatives.

While more than 260,000 electric members were without power, the 700 cooperative linemen of the entire state came together to "turn on the lights" in eastern NC. Additionally, 600 electric co-op linemen from 10 states came in to assist. As the cooperatives borrow the Rural Utilities Service, standard engineering and construction facilitate out of state electric cooperative crews coming in to provide much needed hands-on assistance that is vital to restoring power.

Electric cooperatives continue to serve vital functions in the coming new millennium as they did when they were first formed. Rather than constructing and bringing power into kerosene-lit homes, they now will continue to assist consumers through an ever-changing landscape of a restructured electric industry. Through the use of the cooperative model and principles, consumers need to be able to pull together as a electric-buying cooperative in order to create buying leverage in an open marketplace. Consumers can make themselves a powerful force in the marketplace . . . just as cooperatives have been doing for years.

Electric cooperatives are working on models such as this in areas of the country that have begun to open their electric markets.

Cooperatives can also serve consumers by bundling packages of utility services—such as internet, other home heating sources, water and sewer—to provide "one stop" shopping convenience. This is especially true for rural areas that traditionally are left behind when it comes to competitive services.

CO-OPS IMPORTANT TO IOWA

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from Iowa (Mr. BOSWELL) is recognized for 5 minutes.

Mr. BOSWELL. Mr. Speaker, I am pleased to be here tonight along with the gentlewoman from North Carolina (Mrs. CLAYTON) and the gentleman from North Dakota (Mr. POMEROY) to honor and appreciate cooperatives across America. It is important to honor and recognize these valuable institutions, America's co-ops, not only during national co-op month but every day because of the importance they play in every community's life.

Years ago, farmers across our State, many years ago, had no place to purchase their inputs or no place to store their grain or to market. They were really at the mercy of a handful of people, and sometimes they could not even get their grain anywhere. Well, co-ops came into existence. They were organized across our State and across the land, and they are very important to our Nation and they are very important to our State of Iowa.

There are 47,000 cooperatives of all types in the U.S., and they serve 120 million in all 50 States. One of every four people in the United States is a member of a co-op. In Iowa, co-ops originate about 75 percent of the grain sold by Iowa farmers. Iowa's rural electric co-ops, which the gentlewoman from North Carolina (Mrs. CLAYTON) mentioned how important they are, they certainly are to me, I have three meters on a co-op line at my farm, serve more than 176,000 farms, homes, and businesses in all of our 99 counties. There are over 220 credit unions in Iowa that have more than 740,000 members. Iowa has 124 cooperative farm organizations that total 322 sites throughout the State. The bottom line is nearly everyone's life in Iowa is touched by a co-op in one way or another.

Cooperative associations can take on different forms within the communities they serve. Certainly they serve as business organizations, but they can also be the lifeblood of the community, providing the backbone and the strength to the residents of the area. Local control and local ownership make co-ops a special kind of business because of the commitment not only to the people they serve but also to the communities in which they exist.

Co-ops can take on many different functions in a community. In rural Iowa, where I am from, the farmer cooperative can be the center of many of the community's actions. I have said for a long time in farm communities today they need at least a minimum of two important things to do business: they have to have a bank and they have to have an elevator. And I would say very often a co-op elevator. Both are very important. They are a must to do business down on the farm.

On the business side, the farmer cooperative can help create a business superstructure for individual farmers or other cooperatives which allow for a more coordinated and efficient farm

operation. They supply services and supplies that are essential to the day-to-day running of the operation.

On the personal side, they allow farmers the opportunity to join together to provide inputs in the market, share information, and provide co-op regional support. My local farmer cooperative in Lamoni, Iowa, is part of the reason I am here today in the United States Congress. Back in the 1980s, during the last farm crisis, my neighbors and fellow farmers asked me to serve as the president of their co-op. We worked as a community to keep our people on the farm and to keep our towns and our schools and our churches and our local businesses viable.

Co-op members have always helped each other make it through the tough times by sharing resources and experiences and helping each other work through the problems and struggles associated with crises. I can recall serving on the local co-op board during the farm crisis of the 1980s. It was a tough time, but I was sure glad to have the associates that I had. Now, American agriculture is again faced with a growing crisis, and again cooperatives will be there to lend a helping hand and, in many cases, the glue that holds communities together.

□ 1945

By joining together and marketing their products together, farmers are better able to gain strength they need to compete with the large multinational corporate farming operations that now control much of agriculture.

There are going to be many dramatic success stories coming out of the current agriculture crisis, and once again it is going to be the farmer cooperatives playing a very significant role. Cooperation by whatever means and whatever name you call it, networks or co-ops, is what built our system of family farms in the Midwest, and they may well be the best strategy for preserving it to the greatest degree possible as we meet future farm challenges.

Once again I am pleased to join with the gentlewoman from North Carolina (Mrs. CLAYTON) and the gentleman from North Dakota (Mr. POMEROY) to honor and appreciate the importance of America's co-ops.

Ms. KAPTUR. Mr. Speaker, I offer the following: "I must study politics and war that my sons and daughters may have liberty to study mathematics and philosophy. My sons and daughters ought to study mathematics and philosophy, geography, natural history, naval architecture, navigation, commerce, and agriculture, in order to give their children a right to study painting, poetry, music, architecture, statuary, tapestry, and porcelain."—Letter to Abigail Adams from John Adams [May 12, 1780].

Mr. Speaker, Jamie Whitten, the former chairman of the House Appropriations Committee and chairman of the Agriculture Subcommittee for forty years, said the only real wealth we have is the land. Much like President Adams, he believed that what farmers do provides us with the greatest security in the

world—the freedom from hunger so that we are afforded the freedom to undertake other endeavors.

Farmer Cooperatives have been a real source of strength in the 20th century. They provide an opportunity for many small producers to band together to create strength among themselves for themselves. Farmers have been able to purchase supplies and sell product through cooperatives. They have banded together based on commodities or region for the betterment of all.

They also have been a vital source of development in rural areas with telephone and electric power services.

They provide collaborative financing for producers and rural businesses (Farm Credit Services).

There are more than 3,500 cooperatives in the US, with total sales of over \$100 billion. They employ nearly 300,000 people, with a payroll of \$6.8 billion.

Cooperatives have been storehouses of ideas and innovation. As we see consolidation in the agriculture industry today, co-ops offer farmers the opportunity to vertically integrate and take advantage of profit sharing as a way to keep rural areas and rural families productive, while offering new opportunities for prosperity.

Farmers have been unfairly portrayed as unsophisticated individuals who could easily be fooled by “city slickers”. The next time you want to talk with someone who is knowledgeable in cutting edge science, the intricacies of international trade, who is prepared to compete on a global scale, and must depend upon every available tool to stay ahead, you might want to think about Intel and Microsoft. But you would be wrong. The person you need to talk to is the American farmer and his co-op manager. There are no more savvy people like them in the world.

Mr. OBEY. Mr. Speaker, October is Coop Month and I am delighted to join with my colleagues in recognizing the importance of cooperatives to our country.

The cooperative idea is as old as civilization itself. It began with people recognizing that by banding together for their mutual benefit they could achieve much more than they could as individuals.

When we think of co-ops in America we generally think of agricultural organizations who, beginning in the Midwest in the 1860s and 1870s, understood this principal and began to organize around it. Because of the foresight and determination of a number of pioneers in the Grange, founded in 1867, rural Americans began to enjoy the benefits of cooperative stores to serve their members with farm supplies and machinery, groceries and household essentials. Soon, farm commodities from cotton to milk to wheat were being marketed through co-ops.

In the following decades the fortunes of co-ops fluctuated, but by the early decades of the twentieth century co-ops had become the prevailing feature of the farm economy helping farmers not only with supplies and marketing, but with financing, housing and electrification. Today, Rural Electric Co-ops alone operate more than half the electrical lines in America and provide electric power to more than 25 million people in 46 states. In the field of telecommunications, cooperatives have become vital in ensuring that rural residents are not bypassed by the information revolution.

Today, co-ops are a common feature throughout both rural and urban America and throughout all sectors of the economy, while they remain a vital part of the food and agriculture industry. In recent years, cooperative members have been spreading that message abroad to the developing world and to newly-emerging democracies in Eastern Europe. And, with the help of Congress and the federal government, new co-op development is underway here at home through Co-op Development Centers and the Co-op Development Grants Program at the U.S. Department of Agriculture whereby small federal investments are helping to leverage substantial amounts of non-federal support to help start and strengthen businesses, create jobs and build communities.

In 1908, Teddy Roosevelt's Country Life Commission recommended cooperatives as a means to improve economies of scale, strengthen agricultural production and supply and promote infrastructure development. 90 years later, the National Commission on Small Farms called for increased federal investments to support rural cooperative development at the grassroots. While America has changed almost out of all recognition in the intervening years, the cooperative principals upon which much of America's wealth and values is built remain as important as ever.

Mr. Speaker, I am happy to help celebrate Co-op Month and to recognize the vital role that co-ops have played in the development of our nation.

THE IMPORTANCE OF COOPERATIVES

The SPEAKER pro tempore (Mr. WELDON of Florida). Under a previous order of the House, the gentleman from North Dakota (Mr. POMEROY) is recognized for 5 minutes.

Mr. POMEROY. Mr. Speaker, October is National Co-op Month, and throughout the month of October cooperatives, whether agricultural, consumer, electrical or child care, from all over the Nation will celebrate the importance of cooperatives. Across the United States more than 100 million Americans benefited by 48,000 cooperatives that will generate \$100 billion annually to our Nation's economy.

Tonight, I would like to highlight the importance of cooperatives to my home State, North Dakota. Throughout their history cooperatives have been a symbol of rural America just like the wind mill, the old country barn, and the four bottom plow. Cooperatives represent the very fiber of American ingenuity and community that have made this country great.

From the first successful cooperative organized in the United States by Benjamin Franklin to the 1990's cooperatives, like housing and baby-sitting cooperatives, cooperatives were created with the belief that individuals joining together in cooperative efforts can best market the product they produce. Cooperatives are associations of people uniting voluntarily to meet their common economic, social, and cultural needs through a jointly owned, democratically controlled organization.

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, cooperative members believe the ethical values of honesty, openness, and social responsibility in caring for others.

In the 1920s, the country witnessed the growth of the dairy cooperatives; in the 1930s country grain elevators were created; in the 1940s oil and gas cooperatives; and in the 1950s, electrical and telephone cooperatives were created. Each of these co-ops provided the basic essential, providing quality products for consumers and producers at the most cost-efficient beneficial means. Over the past 20 years cooperatives have entered a new and exciting phase. We have begun to observe a new wave of cooperation such as the North Dakota examples I will speak about tonight.

Specifically in responding to consolidation and concentration in agriculture occurring at an alarming rate, cooperatives have helped provide an avenue for farmers joining together. In North Dakota cooperatives have become, it seems, our State's newest best strategy in bringing to farmers a value-added component of marketing their products. North Dakota is a leader in cooperative development.

All the necessary ingredients are there, the long history of progressive prairie populism, its rural population used to pulling together to meet trying times. Now our heavy dependence on agriculture has made the ability to produce the value-added component to the product very, very important.

Since 1990, nearly \$800 million in value-added facilities have been creating 600 new jobs in North Dakota. Some of the examples, the American Sugar Crystal Cooperative, one of the most recognizable cooperatives in North Dakota founded in 1972, and now with literally hundreds of growers, it has been a very, very successful marriage between the grower and the producer through this shared cooperative experience.

The Dakota Pasta Growers, one of the most fascinating cooperatives in North Dakota. The Dakota Pasta Growers, founded in the late 1980s by durum farmers who believed they could pull together and get themselves a better market for their product by actually producing the seminola flour and the pasta products itself; and Dakota pasta has succeeded in the face of many skeptics in Carrington, North Dakota, by hard work, ingenuity and producing a very top quality product. Today they will increase storage capacity from 120,000 to 370,000 bushels doubling milling capacity, all in all an outstanding success.

The North American Bison Cooperative, an excellent example of how farmers can band together to try new products. The prairie bison, now jointly slaughtered in this cooperative slaughtering plant. Five years ago, the co-op got off to a terrific start, and every year its product marketing continues