

who represent nations which maybe do not have as much of a financial interest in it as we do and know that we would end up paying the tax, our Nation would end up paying the burden. But the fact that has been suggested is just a sort of crack of the door behind which, if it were fully opened, you would see an international initiative of significant proportions to place taxes on the Internet.

As a result, if we have essentially come to the table, having already soiled our hands with taxing the Internet, it will be very extraordinarily difficult for us to resist, whether it is the U.N. or whether it is some other nation that also tries to pursue this course of action. It is essential, for the purposes of seeing an expansion of this technology and this form of economic activity, that we dampen down and restrict and as aggressively as we can resist having other nations pursue the path of taxation of Internet transactions.

Obviously, the U.N. has no right to step into this ground. In fact, as chairman of the appropriating committee that has jurisdiction over the U.N., I put specific language into an appropriations bill, which hopefully will pass today, that says the United States will not spend any money at the U.N. should the U.N. pursue this course of action, which I am sure they will not. This was some idea put forward by somebody there, but I do not think it speaks to the majority at the United Nations.

But those are three core reasons why we have to be extraordinarily sensitive to what the tax policy is relative to the Internet.

The reason I raise this is because it took 8 months for the Internet commission to get started. That was not their fault. Really, it was the fault of those bodies which had the obligation of appointing membership to the commission. Actually, under Governor Gilmore, this commission has done an excellent job of meeting. Governor Gilmore's position relative to taxation over the Internet is exactly the position that should be pursued. However, I am not sure he has a majority position within the commission. I hope he does.

But in order for us to assure this threat to our commerce does not occur, I believe we should extend this moratorium. Since we had at least 8 months of delay before we got this commission up and running, I think we should have an extension which recognizes that the commission should have the full 3-year period; therefore, we should extend the moratorium for another year, at a minimum, on the Internet.

I happen to think it should be extended beyond that, well beyond that, because I believe certainty in the area of taxation is one of the key issues for maintaining economic activity. If people participating in an economic activity can predict what their tax obligations are and what the tax implications will be to an economic initiative, then

they are much more likely to be willing to invest capital and take the risks necessary to pursue that initiative. But if they cannot predict their tax liability, then that limits and dampens down the desire to put capital and take risks in a certain economic activity. We have seen that historically.

So I do believe very strongly that we should not only be extending this moratorium for a year but that we should be extending it for a series of years beyond the 3-year moratorium that presently exists.

Let's face it. The economic benefit which this Nation has seen as a result of this truly revolutionary event—in the history of economics, I suspect this is going to go down with the industrial revolution as one of the most significant turning points in the history of prosperity and the way nations generate wealth.

The benefits which we, as a nation, have obtained as a result of this, as a result of being the incubator, the developer, and now the provider in expertise in the area of the Internet, and the use of the Internet for commerce, the benefits which we have received, as a nation, are basically incalculable: the amount of new jobs which have been created; the number of people whose standard of living has been increased; the number of people who have been able to purchase goods at less of a price; and the number of people who have simply had a better chance to participate in prosperity.

The Nation as a whole has seen economic activity and economic prosperity that has been a blessing to everyone, in large part because of this huge expansion in e-commerce and in the Internet as a force. Those benefits dramatically exceed any benefit which we would obtain by allowing a large number of different States or municipalities to start taxing the Internet for the purposes of expanding their local governments.

It is the classic situation of the goose that lays the golden egg, to say the least. We have confronted a goose that is laying a lot of golden eggs for America, and for the prosperity of America, and for the opportunity of America to create jobs. For America to maintain its place as a world leader, we should not make the mistake of maybe not cutting off the goose's head but nicking that goose with thousands of different taxes which may cause it to, unfortunately, stumble or even be stopped as a result of allowing the creativity and the imagination of our various government units across this Nation to begin to tax the Internet.

So I hope as we wrap up this session we will consider this. Obviously, we probably are not going to get it in this major omnibus bill, although I tried to do that and it was rejected in committee—an extension of the Internet moratorium.

I do hope when we come back next year this will be a priority item—to make it clear, to make an unalterable

statement to the community which is developing and promoting this incredible engine of prosperity that we are not going to stop them by turning loose the forces of government and taxation on them.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

EXTENSION OF MORNING BUSINESS

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the period for morning business be extended to the hour of 2:30 p.m. and that the time be equally divided in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEFFORDS. Mr. President, I yield myself such time as I may consume, or whatever.

THE NORTHEAST DAIRY COMPACT

Mr. JEFFORDS. Mr. President, I will take a moment to react to an editorial which I read this morning in the Wall Street Journal which had so many errors and erroneous comments that it shocked me to find out that such a fine newspaper as the Wall Street Journal would carry this.

I have been in Congress now 24 years, and as a result of unusual circumstances, for many years I had been sort of the leader of dairy for the Republicans in the House. That occurred because I was elected during the Watergate year. During the Watergate year, there were 92 freshmen Representatives who were elected and only 16 were Republicans. So all of us who came in that year immediately got seniority because there were not any other Members around.

I got to be the ranking member on the dairy subcommittee my first year. During that time, some 24 years, one thing I could be assured of was that any time something was going to come to the benefit of the dairy farmers, the Wall Street Journal, the New York Times, and the Washington Post would all write adverse editorials. Why is that? Well, do the dairy farmers buy any advertising in these newspapers? Of course, they don't. Who does buy the advertising? It is those who purchase milk. What is their motivation? To keep the dairy farmers getting the least money possible so they can maximize their profits. And they have done a masterful job.

But they also have a propensity, either because they, without any checking, believe everything told to them by the processors who pay for their ads or they just ignore the truth. The Wall Street Journal article of this morning was a very typical example. I will run through some of the facts that were utilized in this great paper to point out the errors.

First of all, they make statements which are just not true. They say we have to have a compact because our

farmers are less efficient than the Midwestern farmers. Well, that is absolutely not true. Both are very efficient. The differences in the two areas are dramatic, but they are not relative to efficiency. Obviously, the Midwest farmers have an advantage because they are closer to the grain markets. They have more people producing cheese, and they have soils that are preferable to many of the other areas of the country, especially New England. So they have an advantage, not a disadvantage, by being not only efficient—and I don't think our farmers are any more efficient than theirs—but having lower costs to start with. So to make the statement that it is all based upon inefficiency is absolutely ridiculous.

Then this statement: Never mind that this milk costs consumers to the tune of about 20 extra cents a gallon. This is absolutely false. In fact, one of the ironic aspects of this whole argument occurred back when the compact first went into effect and the Midwestern farm representatives said: We will show them. We will show that this is all due to efficiency and all those kinds of things. So they asked OMB, not GAO or whoever else. Why? Because OMB was sympathetic to the administration at that time and they wanted help from the White House to try to back up their arguments.

Well, what happened? OMB did an analysis of the impact of the compact and found out just the opposite. Do we hear them quote that anymore? No. I have to bring it up every time. They still—either their friends in the newspapers that make the money off advertising or sometimes they do it themselves—ignore the fact that the study they asked for came back saying that, contrary to what they were telling people, actually the consumers in New England, where the compact was in effect, paid 5 cents less a gallon—not 20 cents more a gallon, 5 cents less a gallon—than the average in the rest of the country. But they still print something which they know is absolutely incorrect.

Also, for a conservative newspaper such as the Wall Street Journal—I wouldn't give that same label to the New York Times and the Washington Post—the Wall Street Journal should recognize that all of these States, all six States, are taking advantage of the Constitution which says that States can, if they want to, ask Congress for permission to create a commission to allow them to join together to sort of control or impact interstate commerce.

Well, the States have the right to do that and the States did do it. The New England States got together and said: Well, let us take a look and see what we can do to have a more organized pricing system. One has to understand a little bit about how the farming goes. If you are a dairy farmer, you have milk and you have to get rid of it. It is going to last about 3 days before you

will have to throw it out. So you are at the mercy of the market. You can form cooperatives and things such as that, but no matter what you do, the milk has to go somewhere or it is going to spoil.

The thought was, instead of leaving ourselves at the mercy—and this is the basic part of the situation—of the processors, the people who buy the milk, who can sit there 2½ days and say: Well, it is going to be worthless tomorrow; I will give you 5 cents a gallon—well, it never gets quite that bad, but that is the kind of power they have. They don't want to lose that power. They want to be able to dictate to the dairy farmers the price they are going to get. The New England farmers got together and worked with their various legislators and decided, why don't we set up a commission that would have consumers represented, processors represented, farmers represented, and the general interest of the public represented. We will set what the price will be, keeping in mind that we don't want to end up with a huge surplus. We want to make it fair but make sure the consumers don't lose on this—in fact, maybe even gain—and the dairy farmers will gain because they will have a stable market situation.

It worked so well that, as I said, the price to consumers actually went down. I could speak at length on that, but it went down. The farmers got a significantly better price overall. They were happy. The processors got a fair price, and they haven't screamed, those that are participating in it. It is a good system. That is the problem with it. It is a good system.

Why does that scare the processors? They would rather get the lowest price possible to pay to the farmers and so they have lost that control. But to the Midwest, it shakes them up because what was their dream? Their dream was that all of the dairy farmers in the United States would go out of business except in the Midwest. And they are so sure they could provide all the milk the country needs, so why do we not put them out?

Well, the commission worked. The price to consumers has gone down, the farmers are getting a fair price, and the processors are not being injured in any way. That is why 25 States, now a total of 25, including New England, have said that is a great idea. Everybody is happy. What a wonderful situation.

The processor is happy, consumers are paying less in price, and everybody is happy. So why don't we join? Well, that, of course, has now made it a big threat to the Midwest. Because if the whole country goes to compacts, the farmers will stay in business, and the market expansion that the Midwest was hoping for won't occur.

That is why we are here today. The States have recognized that it is essential to make sure their farmers survive. Why is that? The basic concept of the law right now, from the 1930s and

rewritten in the Farm Act of 1947, said it is critical that we ensure that every area of this Nation has an adequate supply of fresh milk. That is basic law; that is, to make sure that when you go to your store, there is always some fresh milk for you there. That is the basic law. All these States that are going into compacts are saying: We want to make sure that our area of the country has an adequate supply of fresh milk, and we ought to be able to do that. So that is what the real fight is about.

We have already had the editorial I anticipated in the Post. The Wall Street Journal came through right on time with one I anticipated. Theirs is so incredibly inaccurate in what they cite, it was a little embarrassing, on behalf of the paper, to read that. I expect the New York Times will follow suit probably in the next couple of days.

I want to make sure these facts are out there. What this Nation needs is stable farming. We all love our farmers. I can't think of Vermont or New England without the cows on the hillside. I can't think of what the Southeast would be without the ability of their farmers to produce milk. And they have, because of the weather situation and all, special problems in the Southeast, being able to produce milk at reasonable prices. But they are doing very well. They want to form a compact. The same is true in other parts of the country. What is wrong with people in the region getting together and deciding how to do it?

Another argument raised, which will be one for other editorials, is that it causes higher prices for WIC—Women, Infants and Children—and food. That is all taken care of by the commission. Farmers in the Midwest, right now, on an average, receive significantly more in the checks they get on a weekly or monthly basis—what they call the "mailbox price." They do better than the rest of the country. So they are not the ones suffering. They have advantages, as I pointed out, in cost of production and those things. They are doing well. They just want to be sure they can perhaps have a better future by shipping more milk.

Incidentally—and I will leave you with this because the statements are that this is somehow infringing on commerce and the ability of people to sell—they can bring their milk down now and sell it in the New England area. Why don't they? It costs too much to ship it down there. But the market is open; it is not closed out. There are no barriers built up to where the farmers can ship milk. In fact, the New England compact is in place right now, but a great deal of the milk comes from New York, Pennsylvania, New Jersey, and wherever else anyone wants to ship it.

The New England area itself is a negative producer. So we depend upon milk coming from other areas. When you come in, you know you are going

to be bound by the price that is established by the commission. That, again, represents consumers, producers, the dairy farmers, the processors, the people who buy it, and it protects programs such as WIC. It is working so well. That is the problem.

Just remember, the reason for all the controversy right now is that this program is working so well for consumers, processors, and the producers, and it is a danger to those who want to do away with our local farming businesses.

Mr. President, I see no other Member present, so I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. VOINOVICH). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Ms. COLLINS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. COLLINS. Mr. President, I ask unanimous consent that I be permitted to proceed as in morning business for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. COLLINS. Thank you Mr. President.

Mr. President, I rise today in strong support of the reauthorization of the Northeast Dairy Compact. I am pleased that it appears Congress will accomplish this vital task before we adjourn for the year.

The reauthorization of the Compact is more critical now than ever before. The U.S. Department of Agriculture recently predicted that milk prices for dairy farmers will be reduced 40 cents per gallon in December as a result of the announced drop in the basic formula price this past week. This translates into a 30 percent reduction in blend prices in December and will continue on into next year with additional declines in prices expected throughout the winter. The Dairy Compact will blunt the 40 cent per gallon drop in farm milk prices by one-half and will, by itself, make the difference between continuing in business and closing down for many small dairy farmers.

The Northeast Dairy Compact is a proven success and is critical to the survival of dairy farmers in Maine and throughout New England. The Compact has a proven track record of quantifiable benefits to both consumers and farmers. The Compact works by simply evening out the peaks and valleys in fluid milk prices, providing stability to the cost of milk and ensuring a supply of fresh, wholesome, local milk. The Compact works with market forces to help both the farmer and the consumer. As prices climb and farmers receive a sustainable price for milk, the Compact turns off. When prices drop to unsustainable levels, the Compact is triggered. The Compact simply softens the blow to farmers of an abrupt and dramatic drop in the volatile fluid milk market.

It is important to reiterate that consumers also benefit from the Compact. Not only does the Compact stabilize prices, thus avoiding dramatic fluctuation in retail cost of milk, it also guarantees that the consumer is assured of the availability of a supply of fresh, local milk. Let's remember that under the Compact, New England has lower retail fluid milk prices than many regions operating without a Compact.

Moreover, the Compact, while providing clear benefits to dairy producers and consumers in the Northeast, has proven it does not harm farmers or taxpayers from outside the region. A 1998 report by the Office of Management and Budget showed that, during its first 6 months of operation, the Compact did not adversely affect farmers from outside the Compact region and added no federal costs to nutrition programs. In fact, the Compact specifically exempts the Women, Infants, and Children (WIC) program from any costs related to the Compact.

The reauthorization of the Northeast Dairy Compact is also important as a matter of states rights. We often hear of criticism of the inside-the-beltway mentality that tells states, we here in Washington know better than you, even on issues traditionally under state and local control. Mr. President, that is wrong. In the Northeast Dairy Compact, we have a solution that was approved by all the legislatures and governors of the New England States. It is supported by every state commissioner in the region and overwhelmingly—if not unanimously—by Northeastern dairy farmers. We in Congress should not be an obstacle to this practical, workable, local solution.

I urge my colleagues to refrain from holding up this critical measure for Maine and for our Nation's dairy farmers. To small farms in my State and in states throughout New England, this is not just a matter of profit margins; it is a matter of their survival.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that I be able to speak in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

JUVENILE JUSTICE BILL

Mrs. FEINSTEIN. Mr. President, today is November 18. It has been almost 6 months since the Senate passed the juvenile justice bill and more than 5 months since the House followed suit with its own legislation.

Since that time, the students at Columbine High School went home. They

spent a summer trying to heal the wounds of one of our Nation's greatest tragedies, and they returned to school more than 2 months ago.

Many of those students touched by the tragedy even came to Washington to plead for our help. Yet this body has done nothing to stop future incidents of gun violence and nothing to fix our broken juvenile justice system.

The Columbine incident shocked this Nation and, I believe, this Congress. Watching events unfold on television made even the most skeptical observers realize that something should be done about gun violence. We have witnessed a number of other instances of gun violence in the media since then. In Atlanta, we saw a depressed day trader gun down his family and colleagues. In California, a bigot killed a postal worker just because he was Filipino, and then wounded five others in the North Valley Jewish Community Center in Granada Hills. Again, the pictures of those young children being led away from the scene of the tragedy were heart wrenching.

But since Columbine, more than 2,000 more children have died from gunshot wounds, about 12 to 13 a day, in incidents of gun violence that go relatively unreported and with outcomes not so public. These incidents will never stop until we do something to stop them. The death rate will never be diminished unless we stand up and take action.

When will the Congress realize that the time has come to move forward? The conference committee, which was appointed at the last minute before the August recess, has met but once, over 3 months ago. No issues have been resolved. The entire juvenile justice bill remains in doubt, in limbo.

Democrats in both Houses have been ready and willing to meet for months. Democrats are ready to discuss the merits of our differences and to reconcile them. The time has come to stop running away from the issue of gun violence. The time has come to enact some meaningful provisions to stem this tide of violence sweeping our schools and to institute some much-needed change to the system of juvenile justice in this Nation.

The Senate spent more than a week in May debating and voting on dozens of provisions to stem the tide of youth violence in this country and to try to curb the flood of guns reaching children and criminals. But still we have faced delay after delay, and the delays come in many forms—political maneuvering, parliamentary tactics; for example, my clip ban was blue slipped, and other tactics.

Enough is enough. It is time to come together to make some tough decisions and move forward with the Nation's business. No longer can we stand by, and I hope the Nation will not let us stand by, to allow the National Rifle Association to dictate the legislative needs of this Congress. The future of this bill rests squarely with the Republican leadership in both the House and