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ALBANY, NEW YORK

February 24, 1998

3:00 p.m.

REGULAR SESSION

LT. GOVERNOR BETSY McCAUGHEY ROSS, President

STEVEN M. BOGGESS, Secretary

1 P R O C E E D I N G S

2 THE PRESIDENT: The Senate will
3 come to order. Would everyone please rise and
4 join me in the Pledge of Allegiance.

5 (The assemblage repeated the
6 Pledge of Allegiance to the Flag.)

7 The invocation today will be
8 given by Reverend Ronald W. Steward, who is
9 the Pastor of the Union Missionary Baptist
10 Church in Albany.

11 Reverend Steward.

12 REVEREND STEWARD: Let us
13 pray.

14 Father, we come at this time
15 asking that You would go with these men and
16 these women who have the great responsi
17 bility of leading our state. We ask that you
18 would crown their heads with knowledge and
19 with wisdom as they legislate for all of us
20 those things that are necessary for our common
21 good and for the good of all Your people. In
22 Your name, we ask it all. Amen.

23 THE PRESIDENT: Amen.

24 The reading of the Journal,
25 please.

1 THE SECRETARY: In Senate,
2 Monday, February 23rd. The Senate met pursuant
3 to adjournment. Prayer by the Reverend Pastor
4 Selwyn Winkowski. The Journal of Friday,
5 February 20th, was read and approved. On
6 motion, Senate adjourned.

7 THE PRESIDENT: Without
8 objection, the Journal stands approved as
9 read.

10 Presentation of petitions.
11 Messages from the Assembly.
12 Messages from the Governor.
13 Reports of standing committees.

14 Secretary will read.

15 THE SECRETARY: Senator
16 Padavan, from the Committee on Cities, reports
17 the following bills:

18 Senate Print 1650-A, by Senator
19 Maltese, an act to amend the General Business
20 Law;

21 3187, by Senator Seward, an act
22 authorizing and directing the city of Ithaca;

23 4876, by Senator Maltese, an
24 act to amend the Municipal Home Rule Law; and

25 6084, by Senator Padavan, an

1 act to amend New York City charter.

2 Senator Spano, from the
3 Committee on Labor, reports:

4 Senate Print 1689, by Senator
5 Farley, an act to amend the Workers'
6 Compensation Law, and

7 4142-A, by Senator Spano, an
8 act to amend the Labor Law;

9 Senator Maziarz, from the
10 Committee on Aging, reports the following
11 bills:

12 Senate Print 680-A, by Senator
13 Saland, an act to amend the Public Health Law;
14 2588, by Senator Meier, an act
15 to amend the Real Property Tax Law;

16 4016, by Senator Maziarz, an
17 act to amend the Real Property Tax Law; and

18 5322, by Senator Trunzo, an act
19 to amend the Real Property Tax Law.

20 Senator Volker, from the
21 Committee on Codes, reports:

22 Senate Print 289, by Senator
23 Rath, an act to amend the Criminal Procedure
24 Law;

25 306, by Senator Skelos, an act

1 to amend the Criminal Procedure Law;
2 365-D, by Senator Volker, an
3 act to amend the Penal Law;
4 402, by Senator Maziarz, an act
5 to amend the Criminal Procedure Law;
6 406-A, by Senator Maziarz, an
7 act to amend the Criminal Procedure Law and
8 the Penal Law;
9 589-B, by Senator Skelos, an
10 act to amend the Penal Law;
11 751, by Senator Volker, an act
12 to amend the Criminal Procedure Law;
13 1915, by Senator Libous, an act
14 to amend the Penal Law;
15 2408-B, by Senator Skelos, an
16 act to amend the Penal Law;
17 3660, by Senator Hannon, an
18 acts to amend the Criminal Procedure Law; and
19 5325, by Senator Volker, an act to amend the
20 Criminal Procedure Law.
21 Senator Rath, from the
22 Committee on Local Government, reports:
23 Senate Print 1862, by Senator
24 Johnson, an act to amend the Real Property Tax
25 Law;

1 2012, by Senator Larkin, an act
2 to amend the Real Property Tax Law;

3 2167, by Senator Wright, an act
4 to amend the Real Property Tax Law;

5 2202, by Senator Padavan, an
6 act to amend the General Municipal Law;

7 2729, by Senator Cook, an act
8 to amend the General Municipal Law and others;

9 2753, by Senator Present, an
10 act to amend Chapter 557 of the Laws of 1992;

11 5390, by Senator Larkin, an act
12 to amend the General Municipal Law;

13 6055, by Senator Rath, an act
14 to amend the General Municipal Law; and

15 6250, by Senator Rath, an act
16 to extend the period for filing applications.

17 Senator Present, from the
18 Committee on Commerce, Economic Development
19 and Small Business, reports:

20 Senate Print 765-C, by Senator
21 Present, an act to amend the State
22 Administrative Procedure Act;

23 1773, by Senator Present, an
24 act to amend the Economic Development Law and
25 others;

1 1890, by Senator Present, an
2 act to amend the State Administrative
3 Procedure Act;

4 4112-A, by Senator Present, an
5 act to enact the Private Activity Bond
6 Allocation Act of 1998;

7 4349-A, by Senator DeFrancisco,
8 an act to amend the Economic Development Law
9 and the New York State Urban Development
10 Corporation Act;

11 4679-A, by Senator Present, an
12 act to amend the State Administrative
13 Procedure Act; and

14 6054, by Senator LaValle, an
15 act to amend the Public Authorities Law.

16 All bills ordered -

17 Senator LaValle, from the
18 Committee on Higher Education, reports:

19 Senate Print 205, by Senator
20 Holland, an act to authorize the Salvation
21 Army Eastern Territory School;

22 243, by Senator Johnson, an act
23 to amend the Education Law; and.

24 4335, by Senator LaValle, an
25 act to amend the Education Law.

1 All bills ordered direct for
2 third reading.

3 THE PRESIDENT: Without
4 objection, all bills direct to third reading.

5 Reports of select committees.

6 Communications and reports from
7 state officers.

8 Motions and resolutions.

9 Senator Trunzo.

10 SENATOR TRUNZO: Madam
11 President, I move that -- on behalf of Senator
12 Rath, I move that the following bills be
13 discharged from their respective committees
14 and be recommitted with instructions to strike
15 the enacting clauses: Senate Bill Number
16 4405-A, 4458-A, and 4851-A.

17 Thank you.

18 THE PRESIDENT: So ordered.

19 Secretary will read.

20 THE SECRETARY: On page 10,
21 Senator Farley moves to discharge from the
22 Committee on Veterans and Military Affairs
23 Assembly Bill Number 3545-A and substitute it
24 for the identical Third Reading Calendar 171.

25 THE PRESIDENT: Substitution

1 ordered.

2 Senator Kuhl.

3 SENATOR KUHL: Madam President,
4 could we now take up the Resolution Calendar.
5 I would offer it up with the exception of
6 Resolution Number 2658. I'd ask that that be
7 held, and I would move for the adoption of the
8 Resolution Calendar.

9 THE PRESIDENT: All in favor of
10 adopting the Resolution Calendar signify by
11 saying aye.

12 (Response of "Aye.")

13 Except 2658. Those opposed
14 nay.

15 (There was no response.)

16 The Resolution Calendar is
17 adopted.

18 Senator Kuhl.

19 SENATOR KUHL: Madam President.

20 THE PRESIDENT: Senator Kuhl.

21 SENATOR KUHL: Yes, could we
22 take up the non-controversial calendar at this
23 moment, please.

24 THE PRESIDENT: Secretary will
25 read.

1 THE SECRETARY: Calendar Number
2 38, by Senator Kuhl, Senate Print 2088-A, an
3 act to amend the Agriculture and Markets Law,
4 in relation to enacting the Northeast
5 Interstate Dairy Compact.

6 SENATOR DOLLINGER: Lay it
7 aside.

8 THE PRESIDENT: Lay it aside,
9 please.

10 THE SECRETARY: Calendar Number
11 42, by Senator Farley, Senate Print 1815, an
12 act to amend the Public Health Law, in
13 relation to expanding the definition of "group
14 practice".

15 THE PRESIDENT: Read the last
16 section, please.

17 THE SECRETARY: Section 2.
18 This act shall take effect immediately.

19 THE PRESIDENT: Call the roll.
20 (The Secretary called the
21 roll.)

22 THE SECRETARY: Ayes 37.

23 THE PRESIDENT: The bill is
24 passed.

25 THE SECRETARY: Calendar Number

1 94, by Senator DeFrancisco, Senate Print 1539,
2 an act to amend the Criminal Procedure Law, in
3 relation to the time limitations for speedy
4 trial.

5 THE PRESIDENT: Read the last
6 section, please.

7 THE SECRETARY: Section 2.
8 This act shall take effect immediately.

9 THE PRESIDENT: Call the roll.
10 (The Secretary called the
11 roll.)

12 THE SECRETARY: Ayes 37.

13 THE PRESIDENT: The bill is
14 passed.

15 THE SECRETARY: Calendar Number
16 100, by Senator Volker, Senate Print 3792, an
17 act to amend the Penal Law, in relation to
18 determining whether a prior conviction is a
19 predicate felony conviction.

20 THE PRESIDENT: Read the last
21 section, please.

22 THE SECRETARY: Section 3.
23 This act shall take effect immediately.

24 THE PRESIDENT: Call the roll.
25 (The Secretary called the

1 roll.)

2 THE SECRETARY: Ayes 37.

3 THE PRESIDENT: The bill is
4 passed.

5 THE SECRETARY: Calendar Number
6 108, by Senator Marchi, Senate Print 3752-A,
7 an act to amend the Public Authorities Law and
8 the Real Property Tax Law, in relation to the
9 securitization of delinquent real property tax
10 liens.

11 THE PRESIDENT: Call the roll
12 -- oh, read the last section. I'm sorry.

13 THE SECRETARY: Section 15.
14 This act shall take effect immediately.

15 THE PRESIDENT: Call the roll,
16 please.

17 (The Secretary called the
18 roll.)

19 THE SECRETARY: Ayes 37.

20 THE PRESIDENT: The bill is
21 passed.

22 THE SECRETARY: Calendar Number
23 126, by Senator Present, Senate Print 527, an
24 act to amend the General Municipal Law, in
25 relation to authorizing the designation of

1 rural economic development zones.

2 THE PRESIDENT: Read the last
3 section, please.

4 THE SECRETARY: Section 4.
5 This act shall take effect on the first day of
6 January.

7 THE PRESIDENT: Call the roll.
8 (The Secretary called the
9 roll.)

10 THE SECRETARY: Ayes 38.

11 THE PRESIDENT: The bill is
12 passed.

13 THE SECRETARY: Calendar Number
14 152, by Senator Cook, Senate Print 4572, an
15 act to amend the General Municipal Law, in
16 relation to establishing uniform procedures.

17 THE PRESIDENT: Read the last
18 section, please.

19 THE SECRETARY: Section 2.
20 This act shall take effect immediately.

21 THE PRESIDENT: Call the roll.
22 (The Secretary called the
23 roll.)

24 THE SECRETARY: Ayes 38.

25 THE PRESIDENT: The bill is

1 passed.

2 THE SECRETARY: Calendar Number
3 154, by Senator Skelos, Senate Print 311, an
4 act to amend the General Obligations Law -

5 SENATOR STACHOWSKI: Lay aside.

6 THE PRESIDENT: Lay it aside,
7 please.

8 THE SECRETARY: Calendar Number
9 156, by Senator Holland, Senate Print 1588.

10 SENATOR STACHOWSKI: Lay it
11 aside.

12 THE PRESIDENT: Lay it aside,
13 please.

14 THE SECRETARY: Calendar Number
15 183, by Senator Kuhl, Senate Print 545-A, an
16 act to amend the Agriculture and Markets Law.

17 SENATOR STACHOWSKI: Lay aside.

18 THE PRESIDENT: Lay it aside.

19 THE SECRETARY: Calendar Number
20 195, by Senator DeFrancisco, Senate Print
21 5799-A, an act to amend the Domestic Relations
22 Law and the Family Court Act, in relation to
23 enacting the Lee-Anne Cruz Memorial Act.

24 THE PRESIDENT: Read the last
25 section, please.

1 THE SECRETARY: Section 5.

2 This act shall take effect immediately.

3 THE PRESIDENT: Call the roll.

4 (The Secretary called the
5 roll.)

6 THE SECRETARY: Ayes 41.

7 THE PRESIDENT: The bill is
8 passed.

9 THE SECRETARY: Calendar Number
10 196, by Senator Goodman, Senate Print 440, an
11 act to amend the Vehicle and Traffic Law, in
12 relation to requiring motor vehicle repair
13 shops to be registered.

14 THE PRESIDENT: Read the last
15 section, please.

16 THE SECRETARY: Section 2.
17 This act shall take effect on the first day of
18 January.

19 THE PRESIDENT: Call the roll.

20 (The Secretary called the
21 roll.)

22 THE SECRETARY: Ayes 41.

23 THE PRESIDENT: The bill is
24 passed.

25 THE SECRETARY: Calendar Number

1 198, by Senator Johnson, Senate Print 809, an
2 act to amend the Vehicle and Traffic Law, in
3 relation to motorcycle accident reporting.

4 THE PRESIDENT: Read the last
5 section, please.

6 THE SECRETARY: Section 2.
7 This act shall take effect immediately.

8 THE PRESIDENT: Call the roll.
9 (The Secretary called the
10 roll.)

11 THE SECRETARY: Ayes 41.

12 THE PRESIDENT: The bill is
13 passed.

14 Senator Kuhl, that completes
15 the non-controversial reading of the
16 calendar.

17 Senator Kuhl.

18 ACTING PRESIDENT KUHL: Yes,
19 Madam President, I understand there's another
20 report of a standing committee at the desk.
21 Could we return to the reports of standing
22 committees and ask the Secretary to read the
23 committee report at the desk.

24 THE PRESIDENT: We will now
25 return to standing committees. The Secretary

1 will read.

2 THE SECRETARY: Senator
3 Nozzolio, from the Committee on Crime Victims,
4 Crime and Correction, reports:

5 Senate Print 177-C, by Senator
6 Nozzolio, an act to amend the Executive Law
7 and others;

8 246, by Senator Johnson, an act
9 to amend the Executive Law and others;

10 1783-A, by Senator Nozzolio, an
11 act to amend the Correction Law and others;

12 2558, by Senator Maziarz, an
13 act to amend the Correction Law;

14 2779, by Senator Nozzolio, an
15 act to amend the Correction Law;

16 3408-A, by Senator Skelos, an
17 act to amend the Executive Law and the Penal
18 Law, and

19 3429, by Senator Nozzolio, an
20 act to amend the Correction Law.

21 All bills ordered direct to
22 third reading.

23 THE PRESIDENT: Without
24 objection, all bills direct to third reading.

25 Senator Kuhl.

1 SENATOR KUHL: Yes, Madam
2 President.

3 Now may we go back to motions
4 and resolutions and can we have Resolution
5 Number 2658, by Senator Alesi, read in its
6 entirety.

7 THE PRESIDENT: The Secretary
8 will read.

9 THE SECRETARY: By Senator
10 Alesi, Legislative Resolution 2658,
11 memorializing Governor George E. Pataki to
12 proclaim February 22, 1998 through February
13 28, 1998 as Manufactured Home Owners Week.

14 WHEREAS, a manufactured home is
15 an affordable housing alternative for a third
16 of the citizens that seek new housing in the
17 United States, and

18 WHEREAS, New York State has
19 nearly 4,500 -- 450,000 residents who reside
20 in manufactured homes located in parks and
21 communities;

22 The Statewide Park Resident
23 Home Owners Association has successfully
24 battled to retain the Mobile Manufactured
25 Tenants Rights Enforcement Division in the

1 Division of Housing and community renewal;

2 The Park Resident Home Owners
3 Association believes that the staff of this
4 division should be upgraded to enforce the
5 laws that protect manufactured home owners;
6 and

7 WHEREAS, the Park Resident Home
8 Owners Association will hold its first annual
9 convention on October 25, 1998 in Farmington,
10 New York;

11 The Association appeals to
12 owners of mobile and manufactured homes to
13 become involved in Association activities;

14 The Park Resident Home Owners
15 Association has asked the Division of Housing
16 and Community Renewal to create a commission
17 to hear cases brought by manufactured home
18 owners, and

19 WHEREAS, it is the sense of
20 this legislative body that when issues that
21 affect the citizens of this state are brought
22 to our attention, it is appropriate to seek
23 solutions for their concern;

24 NOW, THEREFORE, BE IT RESOLVED
25 that this legislative body pause in its

1 deliberations to memorialize Governor George
2 E. Pataki to proclaim February 22, 1998
3 through February 28, 1998 as Manufactured Home
4 Owners Week; and

5 BE IT FURTHER RESOLVED that a
6 copy of this resolution, suitably engrossed,
7 be transmitted to Governor George E. Pataki
8 and the Park Resident Home Owners Association,
9 Incorporated.

10 THE PRESIDENT: Senator Alesi.

11 SENATOR ALESI: Thank you,
12 Madam President.

13 I'm honored to take this
14 opportunity to put forth this resolution
15 asking the Governor to proclaim this week
16 Manufactured Home Owners Week.

17 As many of my home owners know,
18 there are a number of people today in Albany
19 that came up in bus loads that convened here
20 as an organized group, the Park Resident Home
21 Owners group, in fact. They have been working
22 with me and with many of the legislators not
23 only in the Senate but in the next house as
24 well to improve the conditions of people
25 living in manufactured homes.

1 It's my goal in asking the
2 Governor to proclaim this as Manufactured Home
3 Owners Week, to elevate the recognition that
4 all of us should have in knowing that those
5 people that live in manufactured home parks
6 are first class citizens, are hard-working
7 taxpayers and are law-abiding honorable
8 people.

9 They've worked very well with
10 me and my colleagues to help improve their lot
11 legislatively, and by asking the Governor to
12 recognize this group by proclaiming this week
13 in their honor is indeed a privilege, and I
14 ask my colleagues to join me in encouraging
15 the Governor to proclaim this week
16 Manufactured Home Owners Week.

17 Thank you, Madam President.

18 THE PRESIDENT: The question is
19 on the resolution. All in favor please
20 signify by saying aye.

21 (Response of "Aye.")

22 Those opposed nay.

23 (There was no response.)

24 The resolution is adopted.

25 Senator Kuhl.

1 SENATOR KUHL: Madam President,
2 would you announce to the members that there
3 will be an immediate meeting of the Alcoholism
4 and Drug Abuse Committee in the Majority
5 Conference Room, Room 332.

6 THE PRESIDENT: Yes. There
7 will be an immediate meeting of the Alcoholism
8 and Drug Abuse Committee in Room 332.

9 Senator Kuhl.

10 SENATOR KUHL: Madam President,
11 may we now proceed to the controversial
12 calendar, and would you call up Calendar
13 Number 183 first, please.

14 THE PRESIDENT: The Secretary
15 will read.

16 THE SECRETARY: Calendar Number
17 183, by Senator Kuhl, Senate Print 545-A, an
18 act to amend the Agriculture and Markets Law
19 and the Vehicle and Traffic Law, in relation
20 to exempting farm vehicles.

21 SENATOR PATERSON:
22 Explanation.

23 THE PRESIDENT: Senator Kuhl,
24 an explanation is requested.

25 SENATOR KUHL: Thank you, Madam

1 President.

2 This is a bill that's been
3 before this house at least on one prior
4 occasion. It comes as a result of an act of
5 this house back in 1994.

6 In 1994, we passed a piece of
7 legislation that required certain vehicles
8 which had been previously exempt from
9 insurance provisions of this state and
10 required them to, in fact, insure those
11 vehicles.

12 What this bill does is proposes
13 to take us back to the pre-1994 situation
14 where some vehicles are, in fact, required to
15 be licensed but they're not being required to
16 be insured. This has proven to be an
17 extremely large and difficult burden for many
18 people in the agricultural community and we
19 think it's an unnecessary burden financially
20 because of the few accidents that are needed
21 for insurance provisions.

22 So that's the essence of the
23 bill.

24 THE PRESIDENT: Senator
25 Paterson.

1 SENATOR PATERSON: Thank you.

2 If Senator Kuhl would yield for a question.

3 SENATOR KUHL: I'd be happy to
4 yield, Madam President.

5 THE PRESIDENT: Yes. Senator
6 Paterson.

7 SENATOR PATERSON: You
8 deliberated on that a moment, Senator.
9 Senator, nonetheless, what would be the remedy
10 for an individual even though there are few
11 cases who would wind up in an accident with
12 one of these vehicles at a point that they
13 were transporting material or something like
14 that?

15 SENATOR KUHL: In most cases,
16 Senator, what we've found prior to the 1994
17 bill that these vehicles were covered, people
18 were covered for claims against the farmers
19 under their homeowners or their liability
20 policy.

21 SENATOR PATERSON: So, Senator,
22 what you're saying is that, in spite of the
23 lack of insurance, that there was a remedy for
24 anyone that would be victimized -

25 THE PRESIDENT: Senator Kuhl.

1 SENATOR KUHL: Correct.

2 THE PRESIDENT: Senator

3 Velella.

4 SENATOR VELELLA: Just hangin'

5 out.

6 SENATOR KUHL: Read the last

7 section.

8 THE PRESIDENT: Read the last

9 section, please.

10 THE SECRETARY: Section 3.

11 This act shall take effect on the 60th day.

12 THE PRESIDENT: Call the roll,

13 please.

14 (The Secretary called the

15 roll.)

16 THE SECRETARY: Ayes -- those

17 recorded in the negative on Calendar Number

18 183 are Senators Breslin, Dollinger, Kruger,

19 Leichter and Paterson. Ayes 48, nays 5.

20 THE PRESIDENT: The bill is

21 passed.

22 SENATOR PATERSON: Mr.

23 President. Madam President, excuse me.

24 THE PRESIDENT: Senator

25 Paterson. I'm sorry.

1 SENATOR PATERSON: I'm sorry, I
2 may have put my hand up, but I was persuaded
3 by the comments of Senator Kuhl and also
4 Senator Velella, so I'm going to vote for the
5 bill.

6 THE PRESIDENT: Senator
7 Paterson will be recorded in the affirmative.

8 The Secretary will read the
9 results again.

10 THE SECRETARY: Ayes 49, nays
11 4.

12 THE PRESIDENT: The bill is
13 passed.

14 SENATOR KUHL: Madam President.

15 THE PRESIDENT: Senator Kuhl.

16 SENATOR KUHL: On the
17 controversial calendar -

18 THE PRESIDENT: We'd like to
19 hear Senator Kuhl.

20 SENATOR KUHL: Thank you.
21 Could we now take up Calendar 156 for Senator
22 Holland.

23 THE PRESIDENT: The Secretary
24 will read.

25 THE SECRETARY: Calendar Number

1 156, by Senator Holland, Senate Print 1588, an
2 act to amend the General Obligations Law, in
3 relation to the liability of persons involved
4 in equine activities.

5 SENATOR PATERSON: Explanation.

6 THE PRESIDENT: Senator
7 Paterson is requesting an explanation.

8 Senator Holland.

9 SENATOR HOLLAND: This is a
10 bill that allows horse farms -- horse stables
11 to get away with limited liability -

12 SENATOR LACK: Get away with.

13 (Laughter).

14 SENATOR HOLLAND: Get away from
15 me.

16 The problem right now is that
17 horse farms in the state of New York are
18 having difficulty staying in business because
19 of the Trial Lawyers and because of suits. We
20 want to remove that problem just like it is in
21 the ski industry in the state of New York,
22 make it similar. The bill's been up for three
23 years; this is the third year. We have a
24 sponsor in the Assembly.

25 THE PRESIDENT: Thank you,

1 Senator Holland.

2 Senator Paterson.

3 SENATOR PATERSON: Thank you,
4 Mr. President.

5 I don't really have any
6 questions. Just on the bill.

7 This is legislation that would
8 really call for what would be an assumption of
9 the risk on the part of rodeo contestants or
10 individuals that would own a horse and have it
11 involved in some activity, and really if
12 there's limited liability there would be some
13 understanding of that, but it's my general
14 position that these types of disputes are
15 resolved in the courts, that a hard and fast
16 rule for these types of situations would not
17 take into account the individual problems and
18 the specific issues that might relate to the
19 individual case and, therefore, we agree with
20 the Trial Lawyers and would hope that these
21 situations would be settled in a court and not
22 mandated by a sweeping piece of legislation.

23 THE PRESIDENT: Thank you,
24 Senator Paterson.

25 Read the last section, please.

1 THE SECRETARY: Section 3.

2 This act shall take effect on the 90th day.

3 THE PRESIDENT: Call the roll.

4 (The Secretary called the
5 roll.)

6 THE PRESIDENT: The Secretary
7 will record votes in the negative.

8 THE SECRETARY: Those recorded
9 in the negative on Calendar Number 156 are
10 Senators Connor, Kruger and Paterson. Ayes
11 52, nays 3.

12 THE PRESIDENT: The bill is
13 passed.

14 Senator Kuhl.

15 SENATOR KUHL: Yes, Madam
16 President. Could we now take up Calendar
17 Number 38 on the controversial calendar.

18 THE PRESIDENT: Secretary will
19 read.

20 THE SECRETARY: Calendar Number
21 38, by Senator Kuhl, Senate Print 2088-A, an
22 act to amend the Agriculture and Markets Law,
23 in relation to enacting the Northeast
24 Interstate Dairy Compact and providing for the
25 implementation thereof.

1 SENATOR PATERSON: Explanation.

2 THE PRESIDENT: Senator Kuhl,
3 an explanation is requested.

4 SENATOR KUHL: Yes, Madam
5 President.

6 I can't say, like a former
7 bill, that this bill has a rather simple
8 premise to it, but maybe it does.

9 This bill is about a way of
10 life. This bill is about the agriculture
11 community in the state of New York. This bill
12 is about the tremendous crisis that is
13 confronting the dairy industry in the state of
14 New York. This bill is about the fabric of
15 upstate communities that have depended upon
16 agriculture for not only weeks, months, years,
17 decades but centuries.

18 The dairy industry in New York
19 is really under attack. It's under attack
20 because of the pricing system in this country,
21 and what this bill does is, it allows the
22 state of New York to participate in what is
23 commonly known as the Northeast Interstate
24 Dairy Compact.

25 Very simply, an interstate

1 compact is a bill that is authorized under
2 Article I, Section 10 of the Constitution of
3 the United States, and it allows states to get
4 together, to resolve problems that confront
5 them on a regional basis that can't be
6 adequately addressed by federal legislation.

7 This is a concept that has been
8 being worked on by myself and other Senators,
9 not only in this state but other states in the
10 Northeast, for over a decade, but the crisis
11 has reached such monumental proportions today
12 that we're literally on a daily basis seeing
13 farmers forced out of their long-time
14 occupations; and so, this is a rescue effort,
15 albeit it is not the total solution to the
16 problem that's confronting the dairy industry
17 in this state and this country, but it is a
18 partial solution that we hope will stabilize
19 that part of the agriculture community for the
20 immediate future.

21 The bill, as I said, allows the
22 state of New York to enter into the Northeast
23 Interstate Dairy Compact. There currently are
24 six states in the Northeast, that -- all to
25 our north and to our east that comprise the

1 Northeast Interstate Dairy Compact. They have
2 been up and running for about not quite a
3 year.

4 The process is essentially that
5 this house and the Assembly need to adopt this
6 legislation. The legislation needs to be
7 signed into law by the Governor and then there
8 needs to be Congressional approval to allow
9 the state of New York to join this Northeast
10 Dairy Compact. We have every indication that
11 rather large producers of milk in this
12 Northeast region, namely Pennsylvania and New
13 Jersey, will join if New York joins. As a
14 matter of fact, legislation has been proposed
15 and adopted and signed into law by the
16 Governor of New Jersey that would allow New
17 Jersey to enter into the compact as soon as
18 New York does. So we are standing, if you
19 want to think of it in these terms,
20 potentially in the road to success, profit,
21 thriving agricultural industry in the state of
22 New Jersey, as well as Pennsylvania, because
23 the compact tells us that, in fact, for a
24 state to join an existing compact, that the
25 state has to be contiguous to that -- to those

1 existing states and certainly Pennsylvania and
2 New Jersey are not contiguous to the six
3 states that currently make up this body.

4 Now, as I indicated, this is a
5 bill that has been under study for several
6 years, and we have had, and I have had as
7 chairman of the Senate Agriculture Committee,
8 a number of conversations with people in that
9 industry about ways in which we can make it
10 profitable for them to do business in New York
11 and we have attempted to address the economic
12 issues that are controlled by this state,
13 things like real property taxes, things like
14 workers' compensation, things like
15 unemployment insurance, all of those issues
16 put together with regulatory reform, and we
17 have had, I think, a great deal of success in
18 making it more potentially profitable with
19 those items.

20 But there stands in the way,
21 one additional item and that is for a farmer
22 to make a profit they have to have a
23 reasonable return on the product that they
24 make and currently with the economic situation
25 in New York, there are a great number of New

1 York dairy farmers who are selling milk for
2 less than it costs them to produce it and if
3 that is going to continue, then certainly they
4 are going to go out of business and the
5 availability of fresh, locally grown or made
6 milk in New York will disappear.

7 So this is not a bill about
8 something that will resol... will resolve the
9 situation tomorrow. It's a bill that looks
10 farther down the line than this. This is
11 actually a pro-consumer bill. While being
12 helpful to the farmer in ensuring his
13 viability and his profitability, it also will
14 ensure to the consumer a fresh available low
15 cost product locally.

16 Over the last four or five
17 months, I've had the opportunity to join with
18 several Senators in this house in going into
19 their district and asking their constituency
20 what they thought about this proposal.

21 Senator Wright had a hearing in Watertown;
22 Senator Cook had one in Delhi; Senator Seward
23 had one in Cortland, and the overwhelming
24 response was, they needed relief, they needed
25 help in stabilizing the price which they're

1 paid for milk.

2 Now, there are reasons, and the
3 reasons are basically economic and what I'd
4 like to do is to share with you just quickly
5 some of the testimony, and there are volumes
6 of the testimony. We had a very large turn
7 out; a number of people spoke from factual
8 viewpoints, from emotional viewpoints, but I
9 thought that the economics would be of
10 interest to you because they specify basically
11 what the nature of the problem is.

12 This testimony was given at
13 Senator Cook's hearing in Delhi by a young man
14 by the name of Duane Martin, and he said: "My
15 name is Duane Martin. I'm a dairy farmer in
16 South Kortright, New York. We ship to Order
17 II and we're not receiving the compact price.
18 I farm with my parents on a 120-acre farm and
19 we have 47 dairy cows, 22 heifers and calves.
20 I'm a fifth generation dairy farmer in the
21 county. At the rate things are going, I might
22 be the very last.

23 "Both my parents work off the
24 farm. My mother works at South Kortright
25 school as a cafeteria manager and part time in

1 a restaurant. My father also works at the
2 school as a bus driver and a part-time
3 instructor. Their jobs, fortunately, provide
4 health insurance; otherwise we might not be
5 able to pay for our health insurance. But both
6 also work on the farm around their jobs
7 helping me.

8 "Our farm is paid for and the
9 only debt we have is our machinery. Our
10 current herd average is 20,852 pounds of milk
11 per cow. Sounds like we should be living with
12 money, but that's wrong. We are receiving
13 lower prices for our milk than we did 17 years
14 ago.

15 "In 1980," he said, "my father
16 dug out his records for 1980 -- my father
17 received for September milk \$12.61 per
18 hundredweight." That's a hundred pounds of
19 milk. "Today we're receiving for our
20 September milk \$12.56, five cents less per
21 hundred pounds produced. Our main form of
22 farm income, beef and cattle sales off the
23 farm. In 1980 my father received an average
24 price per cow," beef cow that is -- thank you,
25 Madam President, "and for his average beef cow

1 \$120. Today -- my father sent two beef cows
2 last week and for both of them, both healthy,
3 he only received \$525 and our average calf
4 sale has been \$10.

5 "However, our other expenses
6 have gone up. For example, in 1980, we paid
7 \$246.92 for electricity for the month. Our
8 school taxes were \$1,489. Today our electric
9 bill went up to \$1,319, most of it on the low
10 cost rate, roughly 70 percent of it getting up
11 at 3:00 o'clock in the morning and running
12 both high load loaders, tie line loaders into
13 night or morning milking before 6:00.

14 "Now, we need the dairy
15 compact," he said. "It's not only help for
16 the farmer, but it also helps the survival of
17 Delaware County and rural New York."

18 Another farmer, Leon Hunter,
19 testified in Watertown relative to the same
20 economic duress that he found himself in and
21 he said, "Last night after chores I went to
22 looking up the figures for 1978, 20 years ago.
23 After reading some of the receipts I begin to
24 wonder how any of us are still farming. In
25 the fall of 1978, basic formula price was

1 \$11.54. This year in May we received \$10.70,
2 some 84 cents less.

3 "Since 1963," he said, "milk
4 prices have doubled on the average of every
5 ten years. In 1963, the price was \$3.11; in
6 '73 it was \$6.30; in '83 it was \$12.49, but
7 in 1993, it was \$11.80. It had gone back
8 down." He said, "This price should have been
9 \$24.98. If we had gotten that we'd have
10 thought we'd died and went to heaven," he
11 said.

12 Then he went on to talk about
13 his expenses. Also our electricity in 1978
14 was charged at the rate of three and a half
15 cents per kilowatt hour. This year the
16 cheapest our electricity is seven and a half
17 cents per kilowatt hour and it can range up to
18 20 cents during the peak time of day.

19 Diesel fuel in 1978 was 50
20 cents a gallon; today it's 85 cents a gallon.
21 Gasoline was 62 cents back then. Today it's
22 \$1.35. In 19 -- excuse me, "Today, soy bean"
23 -- excuse me. "Soy bean meal was about \$10 a
24 bag," a hundred pounds, today it's over 16.

25 He also mentions the beef

1 cows. In 1978, he said, I got for a cow that
2 weighed 425 or 20 pounds, sold for \$582, over
3 41 cents a pound. Today you're lucky to get
4 two for that, sell two for that same price.

5 In 1978 he said his taxes,
6 school and land, were total \$758. Last year
7 both the taxes combined were \$5,489. That's a
8 700 percent increase in 18 years.

9 We also had testimony given to
10 us, and I think it really sets the mode not
11 only of the economics but of the real trial
12 and the burden that these farm community or
13 farm families are facing. We had a young
14 woman by the name of Rachel Roberts, at
15 Watertown testify and I want to read this to
16 you because I think it really gives you the
17 perspective of what they're all facing.

18 Most of us view the farm
19 communities as beautiful red barns and silos
20 and pretty green grass and fields of yellow
21 and oats and things of that nature, but if you
22 look closely that's vastly changing.

23 Rachel Roberts said: "Good
24 afternoon. I had the opportunity to observe
25 the dairy situation from several different

1 perspectives, all at the same time. Like many
2 people in the room, I do go to work and I go
3 on with my life, but that doesn't seem to
4 completely suffice.

5 "My husband and I own a little
6 dairy farm. I'm the director of a local milk
7 producers cooperative. I teach in a
8 agricultural community and I'm a lay pastor
9 serving a church in the farm community. Other
10 people have addressed this situation from the
11 point of view of facts and figures. I'd like
12 to talk a little bit about the human side of
13 the story.

14 "My husband and I have a
15 little dairy farm. By the standards of most
16 folks, it's a tiny dairy farm. I know from my
17 own experience what it is to be part of a farm
18 family. I'm the one responsible for writing
19 the checks when they get written and I know
20 first hand the frustration of juggling the
21 funds to try to keep the least amount of
22 people unhappy with you.

23 "I know that no matter how
24 much you juggle, there's not enough to do what
25 we need to do with this money. I also view the

1 life of the farmer from the point of view of
2 someone who teaches their children. I teach
3 in a small community where still one-quarter
4 of our students come from farm families. As a
5 teacher, I know what happens when there isn't
6 enough income on the farm.

7 "One of the first expenses to
8 be cut is the hired help which maybe seems
9 logical. This labor shortage is made up by
10 the family. The parents work longer hours and
11 the children work lots more hours, not more
12 than their parents but more they used to.

13 Many of my students go to the barn before they
14 go to school in the morning and they go there
15 again when they get home at night. This is
16 true with my own children as well as some of
17 my students. This limits the amount of time
18 that they have for study and the amount of
19 time that they have for play and, while you
20 can certainly argue that farm kids have done
21 this forever, you find the situation to be
22 different than it was even a few years ago. I
23 watch the brightest and the best juggle time
24 schedules that are extremely demanding as they
25 struggle to do the excellent work that they're

1 used to doing. Those who are less able just
2 don't bother to do it at all. I'm concerned
3 now that many of them will face the future
4 without academic skills that they need to be
5 truly successful, not because their teachers
6 didn't teach them well enough, not because
7 their parents didn't care, but because there
8 just weren't enough hours in the day to get
9 everything done.

10 "In response to my own
11 family's financial dilemma, I have several
12 part-time jobs. For the past four years I've
13 served as a lay pastor of several small
14 Presbyterian churches in southern St. Lawrence
15 County and northern Jefferson County. I've
16 watched that the situation at best from
17 another perspective because people tell their
18 pastors things they won't tell their friends
19 and neighbors. I personally know a lot of
20 farmers without health insurance, not the
21 first time today you've heard that. They've
22 canceled their policies because they just
23 can't afford to pay the premiums. Doesn't
24 matter what the premiums are, they just can't
25 afford them. I've sat with farm women as they

1 sat with me and talked to me about the
2 difficult decisions they're making with regard
3 to their children's health care.

4 "I remember a woman with a
5 child who is allergic to bee stings and had
6 used this bee sting kit before and this time
7 when her child was stung she had hoped that a
8 bottle of Benadryl that she kept in the
9 bathroom would do the trick because it was all
10 she really could afford.

11 "Preventive care, especially
12 for women, is basically non-existent. As a
13 woman, it's easy to put groceries for your
14 family ahead of the yearly physical for
15 yourself.

16 "And then there's the issue of
17 food. Farmers are some of the proudest people
18 on the face of the earth. Most I know would
19 go without before asking anyone outside their
20 family for help. Five years ago in an effort
21 to do a very small bit to at least encourage
22 some farmers that we have, some of us decided
23 to distribute Thanksgiving baskets. Don't
24 give anything -- don't give farmers anything
25 at Christmas because Christmas is for charity

1 and Thanksgiving is for saying thank you.

2 "The first years the farmers
3 took them to be -- excuse me. The first
4 farmer -- the first year the farmers who took
5 them were polite and they were embarrassed and
6 so were we. Often we delivered the food at a
7 time when no one was around so that we could
8 leave it and run. We joked the only way you
9 could ever help a farmer was under the cover
10 of darkness when he or she didn't know what
11 you were doing. We operated this way for
12 three years.

13 "Last year things changed.
14 When we delivered food even to places we'd
15 never even been before, people welcomed us.
16 It didn't seem to matter why we had chosen
17 them, it was food and while they weren't
18 starving by any means, they were grateful.
19 Well, it's almost Thanksgiving and the woman
20 who helps me coordinate this food distribution
21 talked to me last night about what we're going
22 to do this year. In less than five minutes,
23 we listed more farms where we knew the food
24 was needed than we had food to distribute.

25 "This year we have had farmers

1 ask us if they could be included. This is
2 unusual. It's also terrible that the people
3 who feed this country often can't feed their
4 family. When the price of milk is not able to
5 cover the reasonable cost of production and
6 the cost of expenses to farmers, which is part
7 of what reasonable people take for granted
8 such as warm houses, sufficient health care,
9 and farmers work long hard hours every week to
10 produce food for the rest of the country.

11 "It doesn't matter whether the
12 farm is high tech' and very labor-efficient or
13 low tech' and labor-intensive. It doesn't
14 make any difference if you milk 20 cows or
15 300. It doesn't matter if the farmer is
16 recognized by other folks in the state as
17 being one to be admired for his or her
18 successful modern approach to farming or the
19 farmer who farms traditionally organically.
20 What's happening to the family farm and the
21 family farmer, I believe, is nothing short of
22 criminal," and that's the way she concluded
23 her testimony.

24 This proposal is a proposal
25 that would stabilize the prices being paid to

1 farmers. There are some people who say it
2 would cost more for the consumer, and
3 experience shows that in some cases that is
4 true, but experience shows us also that in
5 some cases that is not true, and if you talk
6 about, even if we would assume that the price
7 were to go up, we're looking at a minimal
8 increase, but we're looking at the salvation
9 of an industry by New York participating in
10 this particular compact.

11 There are other states, as I
12 mentioned, six who have gone on record as
13 supporting this proposal, and just to give you
14 an idea of what they think of their
15 agriculture community, let me give you a kind
16 of a for instance as to what the level of
17 participation of the dairy industry is in
18 those states.

19 Take for instance Maine. How
20 many dairy farmers are there in Maine? Well,
21 last count last year there were 509 dairy
22 farmers, 40,000 cows, for a population of
23 1,242,000 people.

24 How about Rhode Island? Rhode
25 Island elected to participate in this program.

1 They have 32 dairy farmers, 2,000 cows, for a
2 population of 987,000. Massachusetts has 310
3 dairy farmers, population of 6 million, 26,000
4 dairy cows.

5 New York, where are we? We're a
6 large producer. We have, at least at last
7 count, and there are probably 4- or 500 less
8 now, 8,754 farmers. We produce eleven and a
9 half billion pounds of milk, 702,000 cows, and
10 we have a population of 18 million people.

11 It would seem to me that as
12 much of a presence as the dairy community has
13 in this state that this house and this state
14 should be as supportive of this industry as it
15 possibly can be.

16 That -- Mr. Acting Minority
17 Leader, is a short explanation of what this
18 bill attempts to do.

19 THE PRESIDENT: Senator
20 Paterson.

21 SENATOR PATERSON: Thank you,
22 Mr. President.

23 I didn't actually hear that,
24 Senator. Would you repeat it?

25 SENATOR KUHL: If you'd like.

1 SENATOR PATERSON: Senator, I'm
2 aware there's a list, and I'm aware that
3 Senator Wright is next to speak, so what I'll
4 do is I'll save some of my questions until
5 later, but I do have just a preliminary
6 question.

7 I'd just like to have you
8 comment on the concept of value as it impinges
9 upon what would be the goals of this partic
10 ular piece of legislation. The small farms
11 and the myriad problems that they are
12 experiencing, which sounds very much like
13 what's happening to small supermarkets in many
14 ways in the competitive market, being unable
15 to keep up with the large mega stores or even
16 small hardware stores trying to compete with
17 the large department stores, something that
18 you talked about in some of your IDA
19 legislation two years ago.

20 Here it's happening the same
21 way, but the fact is that, while you may
22 change the level of living for small farms in
23 this legislation, I wonder if you change the
24 standard of living. What I mean by that is
25 that the small farms would perhaps benefit for

1 an average \$1300 from this bill while some of
2 the large agribusinesses would profit to the
3 tune of maybe \$200,000 if this legislation is
4 passed, and so the question is, would the
5 passage of this legislation just lead to other
6 changes which, while there would be more
7 money, there would actually be a standard of
8 living for those small farms that is -- that
9 is maybe less than what it is right now.

10 I'd also like, if you wouldn't
11 mind, if you would comment on the fact that
12 there is pretty much a uniform agreement among
13 those who are either advocating for or against
14 this piece of legislation, that it will enure
15 to the raising of milk prices around the
16 state. Now, it may not be 20 cents per gallon
17 as some are forecasting and perhaps there have
18 been some overzealous predictions of what that
19 would actually be, but even a four-cent price
20 which would be on average maybe \$4 per family
21 would still injure those least able to afford
22 it. We mean by that children, we mean by that
23 seniors.

24 So what I would -- my basic
25 question is how does your bill address this

1 and is there a way fully to find a graduated
2 form of relief for those small farmers that
3 would benefit them while at the same time
4 maybe not transferring the pain to those small
5 people in society who would have to bear it?

6 THE PRESIDENT: Senator Kuhl.

7 SENATOR KUHL: Let me address
8 the second question first, Senator.

9 When you look at the overall,
10 and I tried -- believe it or not, I tried to
11 keep my explanation short. When you look at
12 the overall proposal and that is conceptually
13 to allow New York to join the Northeast Dairy
14 Compact, and then you start to look at the
15 detail, you'll look very quickly and see that
16 all of the states who are participants in this
17 compact have the right to determine what their
18 membership representation is going to be.

19 In this proposal, New York
20 State's membership representation would be
21 five people, an individual appointed by the
22 Governor, one by the Senate Majority Leader, a
23 person by the Senate Minority Leader, a person
24 represented or appointed by the Assembly
25 Speaker and a person appointed by the Assembly

1 Minority Leader, five individuals.

2 The requirement relative to
3 representation would indicate that there would
4 need to be at least one consumer represent
5 ative and one active farmer on that. What we
6 have seen statistically, as a result of the
7 six states, that there are almost equal
8 representation from both sectors on that.

9 Now, what I'm saying to you is
10 that there is a monitoring provision from the
11 community dealing with the sale of milk which
12 really will control what the compact price
13 is. Now, this is the price that is paid to
14 farmers, and it's not related to necessarily
15 the price at which milk is sold at the retail
16 stores, so while experience has shown us that
17 in this initial stage that there has been some
18 increase, there's also been a reduction of
19 that down to a very minimal increase at the
20 current time.

21 One of the -- one of the
22 issues, I think, that gets by-passed relative
23 to the pricing mechanism in this statute and
24 the discussion of it -- and people may not
25 talk about it for obvious reasons -- is that

1 under the current compact that's in existence
2 in the Northeast, farmers will be being paid
3 the same price, \$16.94 -- 98 cents? -- 94
4 cents per hundredweight from now until the
5 termination or the renewal of the compact some
6 time in 1999.

7 That is not currently the
8 situation. The situation currently is that a
9 farmer does not know what he's going -- he or
10 she are going to get paid for next month.
11 They're producing milk without knowing what
12 the price is going to be. This takes that
13 out, this jeopardy, if you will, that they're
14 in, but also it takes out the uncertainty, so
15 that now they can plan ahead and also
16 retailers can plan ahead because they know
17 what their cost is going to be, so they can
18 then relate to that particular known cost and
19 they don't have to err on the high side of
20 profitability if he retail store and keep
21 prices up when the price the farmer is being
22 paid goes down. That's one of the problems
23 we've seen in the instability of the market
24 and, therefore, it would be pure speculation
25 for us to say that the price increase is going

1 to be 4 cents or 20 cents or even going to go
2 down 10 cents. I could not tell you that, in
3 all honesty.

4 My expectation, because of
5 experience and what we're seeing and what
6 currently is being paid at the retail store in
7 the compact region and what is being paid in
8 the city of New York, which is actually more
9 than what is being paid in the compact region,
10 is that there's going to be little
11 difference.

12 Now, with regard to your
13 question of life style, and whether or not
14 this is going to increase the value of life
15 style. This is the difference for a number of
16 people in the dairy industry of survival. It
17 has nothing to do with life style. It's either
18 they continue in the operation of dairy
19 farming, or they don't. We have statistics
20 from banking institutions that tell us that 70
21 percent of the dairy industry is in either
22 dire economic circumstances or slightly less
23 than dire economic circumstances and are under
24 very moderate or severe stress.

25 So this is something that is

1 actually absolutely vital to the long-term
2 viability of the dairy industry in New York.

3 THE PRESIDENT: Senator
4 Wright.

5 SENATOR WRIGHT: Thank you,
6 Madam President.

7 First of all, let me begin by
8 thanking my colleagues on the other side of
9 the aisle and my colleagues downstate who have
10 joined with the Governor and ourselves over
11 the past couple of years to provide property
12 tax relief to dairy farmers throughout upstate
13 New York. When you did that, you recognized
14 the plight of the dairy farmer. You
15 recognized the importance of agriculture to
16 this state and you did the right thing for the
17 people of our districts and for all of the
18 people of the state and not at any hindrance
19 to your own constituencies.

20 I would suggest to you this
21 afternoon that you can do that again by voting
22 in favor of the compact. The compact is not
23 consumer versus farmer. The compact is not
24 upstate versus downstate. The compact is not
25 an effort to tax milk for the poor, for

1 children in schools, and the compact is not
2 welfare for "corporate farms" upstate.

3 I can assure you in my district
4 there's no such thing as a corporate farm.
5 Regardless of how it may be portrayed by some
6 and maybe portrayed editorially in this state,
7 that is not the situation of the upstate dairy
8 farmer.

9 The upstate dairy farmer is in
10 considerably more stress, more dire straits
11 than I think you even recognize. We don't
12 like to talk about that. As farmers, we're
13 very proud people. We're very independent
14 people. They are here seeking legislative
15 redress because it is the only avenue that
16 remains available to create an economic gain
17 for them in terms of improving their
18 livelihood, sustaining their life style,
19 sustaining the farms in New York State.

20 My colleague, Senator Kuhl, has
21 very clearly articulated that in sharing some
22 of the testimony across this state, and we
23 hosted a hearing in Watertown, and that sits
24 in the heart of dairy country in the North
25 Country, and some of the prime dairy country

1 in this state in Jefferson and St. Lawrence
2 Counties.

3 Let me share with you the
4 testimony of one individual that I believe
5 portrays not only the cost implication but
6 what these individuals on farms deal with
7 every day, and, of course, I lost the page I
8 was looking for.

9 Let me read from the
10 testimony. "My name is Sherry Rogers. My
11 husband Gene is in the audience. We have a
12 600-acre dairy farm in the town of Houndsfield
13 in Jefferson County, where we have 50 milk
14 cows and 50 young stock. I will attempt to
15 tell you how the declining price of raw milk
16 and the ever-increasing cost of commodities in
17 the market is affecting our lives.

18 "When I thought about what I
19 wanted to say today, I recalled a bumper
20 sticker, I picked up at the Jefferson County
21 Fair in 1979. It read, quote, 'Farmers Need'
22 -- 'Farmers Need You Three Times A Day,' end
23 quote. In these days of grocery superstores
24 with all-night shopping and Sam's Clubs that
25 sell 10-pound blocks of cheddar, it is

1 difficult for most people to realize that some
2 of these dairy products start at the small
3 family farm you pass as you drive out Route 3
4 in Houndsfield. It has a faded red barn, and
5 50 or so cows grazing on the green grass of a
6 roadside pasture.

7 "The picture most of you
8 conjure right now probably has a man in
9 overalls happily working away to get their
10 crops planted or the baled hay into the barn
11 before the rain comes. You might even see him
12 taking the old farm truck in to town to pick
13 up a spare part for the tractor or a bag of
14 seed grain, not unlike scenes we saw portrayed
15 throughout our youth.

16 "In your mind's eye, there
17 could be a farm wife diligently working in her
18 garden as she waits for her bread dough to
19 rise. Her greatest concern is only that it
20 will be out of the oven in time for dinner.
21 All the while she would have one eye on the
22 children in the yard, a couple of them tossing
23 hay bales onto the elevator destined for the
24 mow. The two smaller boys are playing in a
25 sand pile with their toy farm equipment.

1 "In reality, however, the farm
2 family in 1997 is not so idyllic as the scene
3 I have just described to you. Farming is a
4 business. Today the farmer you picture would
5 spend a great deal of their time concerned
6 about milk quality incentives and soil
7 erosion. He also has to weigh the benefit of
8 using pesticides on his crops against the
9 possible detrimental effects it may have on
10 the environment. Like any other businessman
11 he needs to be aware of the latest advances in
12 technology, whether it be machinery, plant
13 hybrids, precision farming or the most recent
14 finding to increase milk production.

15 "In fact, on our farm as is
16 the case with most farms, my husband has found
17 it necessary to take part-time position to
18 bolster the income; and the farm wife you saw,
19 she cannot take time to make bread. She's out
20 in the fields or on the tractor or in the barn
21 with her husband. They're both working just
22 as hard and as long as they can to keep this
23 family farm moving forward and, if she stops
24 to think about it long enough, she doesn't
25 know why they're working so hard for so little

1 return. You see, like many family farms, this
2 one was passed down from her husband's father
3 and their plan was that their children might
4 one day choose farming as a way of life.

5 "The four children all have
6 college degrees, in much part thanks to the
7 state of New York, but as you look at what has
8 occurred, it's been difficult. We cannot
9 encourage them to make plans that would
10 include any part of farming with the
11 diminishing returns," and then she shared a
12 few of her own personal statistics comparing
13 1979 to '97:

14 Milk at 11.50 per hundredweight
15 versus 12.20. A ton of feed at \$60 versus
16 \$190. A pick-up truck at \$9,000 versus
17 \$28,000. You don't buy new any more, you buy
18 used. A tractor at \$20,000, now at \$75,000.
19 Again, you no longer buy new, you buy used.
20 An electric bill that's \$300 a month 20 years
21 later is \$600 a month, and it goes on, because
22 not only is that a depiction of what really
23 occurs, because the children have left, there
24 is no one to pass the farm onto. Because of
25 the diminished value of the farm, there is

1 nobody that wants to purchase the farm and
2 what you find is that that man and wife
3 continuing to work at the age of 65, at 70,
4 getting up every day, going out and milking
5 their 50, 60, 70 herd.

6 That's not what we want for the
7 people of New York State. That's not what you
8 want for your constituents. That's not what I
9 want for my constituents. I think this is
10 about sustaining a reasonable life style in
11 this state that we all have an obligation to
12 do. Many of us describe ourselves as
13 advocates for the poor. I would suggest in
14 doing that, you may want to adopt a farmer,
15 because if you look at what has occurred in
16 the last 20 years, the milk price has hovered
17 at a flat no-increase and at the same time
18 public assistance on average has increased by
19 50 percent in this state, and the minimum wage
20 has increased by over 90 percent in this
21 state, neither of which have benefited the
22 farmer of New York State.

23 If we're concerned about the
24 money going to corporate farms, then the best
25 thing we can do is not pass the compact, allow

1 the dairy industry to continue to decline and
2 atrophy in the state of New York, so that we
3 then begin bringing our milk from California,
4 because the corporate farms that do exist in
5 the western portion of this nation, the
6 corporate farms that have dumped their milk
7 into the market, that have created the price
8 difficulties that we have, they will be the
9 ultimate benefactors. They will be the ones
10 that will be receiving the benefit of the cost
11 increases to the other individuals of this
12 state.

13 That's not what I want for this
14 state. That's not what I believe you want for
15 this state. In the past, you have supported
16 the dairy community. You have supported
17 upstate. I again call on you this afternoon
18 and encourage you to do likewise today.

19 Thank you.

20 ACTING PRESIDENT NOZZOLIO:

21 Thank you, Senator Wright. Senator Waldon.
22 Suffer an interruption, Senator Waldon.

23 Senator Kuhl.

24 SENATOR KUHL: Recognize
25 Senator Waldon.

1 ACTING PRESIDENT NOZZOLIO:

2 Senator Waldon.

3 SENATOR WALDON: Thank you, Mr.
4 President.

5 Would the sponsor, Senator
6 Kuhl, respond to a question, please.

7 ACTING PRESIDENT NOZZOLIO:
8 Senator Kuhl, will you yield?

9 SENATOR KUHL: I'll be happy
10 to.

11 ACTING PRESIDENT NOZZOLIO:
12 Senator yields.

13 SENATOR WALDON: Senator, I am
14 very much concerned about the (Inaudible
15 microphone not turned on) I just want some
16 edification so that I can understand better
17 what this state can do, perhaps what we should
18 do and perhaps what we need to do today
19 regarding the compact and its potential.

20 One -- one, if I may, are there
21 other methods of helping the farmer than the
22 compact? You alluded earlier that the state
23 had taken some steps in regard to, I believe
24 it was tax relief. Can you enumerate some
25 other ways that we might be able to help the

1 farmers, the dairy farmers, to sustain
2 themselves other than just the benefit of this
3 compact if we should pass it today?

4 SENATOR KUHL: Senator, there
5 are ways that we can try to help the
6 agriculture industry out, and I believe we've
7 attempted to do that in many different ways
8 that have been somewhat successful. The
9 problem that we face, however, in the
10 circumstances that we have, are very simply
11 that farmers are not being paid enough to pay
12 for the cost of their production.

13 I don't know -- I don't know,
14 Senator, that we can get into the cost of
15 production to the degree that will make their
16 production profitable. That's the problem. The
17 underlying response to how can we resolve this
18 issue over years from the farming community
19 generally has been just give us a fair price
20 for our milk that we can make a profit on.
21 That's all they're asking for, and that's what
22 we're trying to do in this bill.

23 THE PRESIDENT: Senator Waldon.

24 SENATOR WALDON: Madam
25 President, would the gentleman yield again?

1 THE PRESIDENT: Senator Kuhl.

2 SENATOR WALDON: Senator Kuhl,

3 could we -

4 SENATOR KUHL: Senator Waldon,
5 just a minute. We've got some of members who
6 need to cast their votes, so if you don't mind
7 we'll just interrupt.

8 THE PRESIDENT: Senator
9 Skelos.

10 SENATOR KUHL: Can we have the
11 last section read?

12 SENATOR SKELOS: Madam
13 President, if we could have the last section
14 read for the purposes of three members voting.

15 THE PRESIDENT: Yes. Read the
16 last section, please.

17 SENATOR SKELOS: Thank you.

18 THE SECRETARY: Section 2. This
19 act shall take effect immediately.

20 THE PRESIDENT: Call the roll.

21 SENATOR KUHL: Would you
22 recognize Senator Leichter, please.

23 THE PRESIDENT: Senator
24 Leichter.

25 SENATOR LEICHTER: No.

1 SENATOR KUHL: Senator Rath.

2 THE PRESIDENT: Senator Rath.

3 SENATOR RATH: Aye.

4 SENATOR KUHL: Senator LaValle.

5 THE PRESIDENT: Senator

6 LaValle.

7 SENATOR LAVALLE: Aye.

8 SENATOR KUHL: Withdraw the
9 roll call and continue the debate.

10 THE PRESIDENT: Withdraw the
11 roll call, please, and continue the debate.

12 Senator Waldon.

13 SENATOR WALDON: Senator, could
14 we do something in regards to an insurance
15 program in our state which would protect dairy
16 farmers from down side price movements? Have
17 we tried to do anything in that regard?

18 THE PRESIDENT: Senator Kuhl.

19 SENATOR KUHL: Insurance
20 program?

21 SENATOR WALDON: Yes.

22 SENATOR KUHL: No.

23 SENATOR WALDON: Have we
24 attempted to do something in regard to the
25 change and fluctuation in the prices of feed

1 when production of milk is down? The farmer,
2 not having been a farmer, but when the prices
3 of feed go up in the west, out in the west,
4 the effects of a tremendous El Nino -- El
5 Nino, however you pronounce it, a situation
6 which affects the ability of the crops that
7 are being produced, and we mentioned farm
8 subsidy here, is there any way to ensure that
9 they will have the money to buy the feed at an
10 increased cost so that they can produce the
11 milk that we need in this state?

12 SENATOR KUHL: In all cases,
13 we've attempted to remove ourselves from any
14 kind of farm subsidy programs. As you know,
15 we've gone through this NAFTA regulation,
16 those kinds of things, where it's discouraged
17 to do that and we've attempted to do that.
18 And this program is really not a subsidy
19 program. This is allowing people to get
20 together and set the price for which their
21 products are going to be sold and so that's
22 what we've attempted to do, and the programs
23 that you're talking about are essentially
24 subsidy programs which we have not wanted to
25 involve government.

1 THE PRESIDENT: Senator
2 Waldon.

3 SENATOR WALDON: Thank you,
4 Madam President. If the gentleman would
5 continue to yield.

6 THE PRESIDENT: Senator Kuhl.

7 SENATOR KUHL: I'd be happy to.

8 THE PRESIDENT: Senator Waldon.

9 SENATOR WALDON: I had never
10 surmised that this was a subsidy program. I
11 understand what we're trying to do. I just
12 wanted to make sure that we are doing all that
13 we can do. Is there any way that we can
14 create a program when the -- I guess the term
15 is when the farm is in short shrift regarding
16 money. Is there anything that we can do to
17 ensure that they will have a lower interest
18 loan capability than they have now so that
19 they, one, don't get into a cash crunch, and,
20 two, don't have to sell off property in order
21 to sustain themselves, and, three, don't
22 actually end up having to auction off their
23 farms because they weren't able to get money
24 at a reasonable rate to sustain themselves in
25 the crisis?

1 THE PRESIDENT: Senator Wald...
2 Senator Kuhl.

3 SENATOR KUHL: I'm not aware of
4 any proposals in that line, Senator Waldon,
5 but again there are -- as you know, there are
6 in some cases constitutional provisions that
7 would prohibit that kind of general program.

8 THE PRESIDENT: Senator
9 Waldon.

10 SENATOR WALDON: Madam
11 President, thank you very much.

12 Senator, one or two more
13 questions if I may, and I'm not trying to
14 burden you. I just want to make sure I
15 understand what's going on.

16 Have you ever considered in the
17 state creating a program whereby the farmers
18 are doing O.K. And they're able to save some
19 money, put it away, if a crisis occurs and
20 they have to reach into that savings, makes it
21 very difficult to ever replace. Have you
22 considered creating a program where they could
23 borrow that money during a crises and not
24 having to pay the high interest rates of
25 inflation or not suffer the loss of that

1 money, so they get it back and they don't
2 always make money. Farmers, I'm told, are just
3 living hand to mouth, many of them.

4 THE PRESIDENT: Senator Kuhl.

5 SENATOR KUHL: Not that I'm
6 aware of, Senator.

7 THE PRESIDENT: Senator
8 Waldon.

9 SENATOR WALDON: If I may,
10 Madam President. Thank you.

11 Senator, is there a companion
12 bill in the Assembly that is being worked on
13 as you have worked on this bill here?

14 SENATOR KUHL: Yes, there is.

15 SENATOR WALDON: There is.

16 SENATOR KUHL: Yes, and the
17 chairman of the Senate Agriculture -- or
18 excuse me, the Assembly Agriculture Committee,
19 Bill Parment, is carrying that bill.

20 SENATOR WALDON: If I may
21 again, Madam President.

22 THE PRESIDENT: Senator
23 Waldon.

24 SENATOR WALDON: Senator, in
25 creating this compact, my understanding from

1 looking at the material given to me is that
2 those who are on the bottom rung of the ladder
3 as farmers, those who are the smallest farmers
4 will benefit the least, that this four-cent
5 increase created by the compact will allow
6 them to make about 1,200 and change, whereas
7 the larger farms with 400 or more cows, some
8 of them will make as much as \$175,000 by this
9 legislation.

10 If that is true, do you believe
11 that that is equitable in terms of what we're
12 trying to do?

13 THE PRESIDENT: Senator Kuhl.

14 SENATOR KUHL: There is no
15 disproportionate favoritism in this bill
16 toward any size farm, Senator. 80 percent of
17 the dairy farmers in New York have fewer than
18 a hundred milk cows, and so you can see just
19 from the number that most of the farmers in
20 this state are what -- are what would be
21 considered as small farmers, and they will
22 receive a proportionate equal share to anybody
23 who happens to have more cows than that. The
24 average dairy farm has 110 milking cows in
25 this state. That, by no means, is a large

1 farm, so disproportionate fairness in this,
2 there is none. This is a bill that's meant to
3 deal with everybody equitably and everybody
4 will stand to benefit equitably if they do
5 from this legislation.

6 THE PRESIDENT: Senator
7 Waldon.

8 SENATOR WALDON: On the bill,
9 Madam President.

10 I want to thank you very much,
11 Senator; I appreciate your patience.

12 I'm going to support this
13 bill. I'm going to support it because I think
14 that we're long overdue in doing something for
15 the dairy farmers in our state. I recall when
16 I came to the Assembly in 1983, I believe it
17 was -- that's a long time back to remember -
18 there were many more dairy farms and many more
19 processors. It was understanding that two
20 thirds of the processors, milk processors who
21 existed at that time are no longer in
22 business, and maybe as many proportionately,
23 farmers are now out of business.

24 It is my understanding that
25 farmers are being forced to auction their

1 farms off because they just can't make it any
2 more. The business climate for farmers is so
3 bad that people who have invested their entire
4 lives, parents invested their lives, grand
5 parents invested their lives in the soil of
6 New York State, now have to in frustration
7 give up and auction off their farms.

8 I think that is wrong, and I
9 don't think that we are looking to create a
10 welfare situation as I saw capitalized in some
11 of the papers, in regards to the farmers.
12 These are very hardy people, those I've met
13 and come to the office here in the Capitol.
14 They're very independent, people who want to
15 just have an opportunity to do what they do
16 and do well, but I think that we have not done
17 justice by them. I don't know if this is a
18 one-house bill or not. I hope not, but I do
19 believe that we owe them something as a state,
20 and this may just be a small step in that
21 direction. I think it is far too little. I
22 think it is far too late, and I hope that this
23 will be a signal to all of us in this house
24 and in the other house and on the second floor
25 to get our act together and make sure that an

1 industry which was the linchpin of this state,
2 the prime industry of this state at one time,
3 a part of the farming industry which is a fine
4 industry in this state will again see greater
5 viability.

6 I hope that what we do today is
7 just the beginning of a new approach to
8 ensuring that the backbone of our state, the
9 farmers, are given their fair share.

10 I thank you very much, Madam
11 President.

12 THE PRESIDENT: Senator
13 Hoffmann.

14 SENATOR HOFFMANN: Thank you,
15 Madam President.

16 I'm very proud that our house
17 is voting on this measure today, and it's been
18 a long time coming. It was ten years ago that
19 the original legislation to create a Northeast
20 Dairy Compact was drafted by the Legislative
21 Commission on the Dairy Industry. At that
22 time Senator John McHugh chaired both the
23 Agriculture Committee in this house and that
24 commission. He has now moved on to the United
25 States Congress, where he was one of the major

1 supporters of the dairy compact for the New
2 England states when it was implemented. One
3 of the other principal supporters was Senator
4 Patrick Leahy from Vermont, and he has shared
5 with a great passion his concern for dairy
6 farmers.

7 Aside from those two gentlemen,
8 most of our representation from all of the
9 northeastern part of the United States and
10 from this state is very urban or suburban as
11 is the representation in this legislative body
12 and in the body across the hallway, and
13 therein lies the major problem. It is a
14 problem of personal knowledge and personal
15 experience, lacking in most of us because we
16 are several generations removed from the
17 farm. It is difficult for people in this
18 chamber, and it is difficult for people in the
19 other chamber and it is difficult for people
20 in the media who report this issue to
21 understand the economic realities and the day
22 to-day life cycle of people who are engaged in
23 production agriculture.

24 It is very, very hard for
25 people who have never done it, whose relatives

1 have never done it to understand the
2 implications of getting up before dawn in the
3 morning, working 10- and 12-hour days without
4 a break, 7 days a week and to understand that
5 our farm families in this state are doing this
6 and still losing money is an unfathomable
7 concept to most people in this house.

8 There is another very, very
9 important issue going on as this dairy compact
10 debate unfolds, and that to me is something
11 that I have to step back at for a few moments
12 and take a look at from a skill that I
13 employed in a previous life. As a former
14 journalist and a former teacher what I am
15 observing here is nothing short of an absolute
16 masterpiece in manipulation of propaganda by
17 the opponents of the dairy compact, and I want
18 to make sure that my colleagues understand
19 that the opponents of the dairy compact are
20 not limited to a few people in this state who
21 have made a sizeable profit off the backs of
22 dairy farming, but the opponents of the
23 Northeast Dairy Compact are, in fact,
24 opponents of the concept of compacts for any
25 place in the United States, and these people

1 have become skilled in the art of lobbying and
2 in the art of public relations, and they
3 recognize that, because it is their own
4 business as milk dealers or milk processors,
5 they are not going to be received with the
6 greatest amount of sympathy for protecting
7 their profit motive.

8 They have found a very, very
9 clever way to convey what they think would be
10 a marketable message to people uninformed with
11 the realities of production agriculture: What
12 they have done is to utilize existing consumer
13 groups and to sometimes subsidize existing
14 consumer groups and even to create brand new
15 consumer groups who can go out and use skill
16 tactics of the worst sort to frighten people
17 into thinking that somehow their lives will
18 change and milk will not be an affordable
19 commodity.

20 I am so grieved and so
21 frustrated by this propaganda war being waged
22 against the farmers of this state that I
23 become speechless trying to find a way to
24 defeat it, but I'm asking everyone in this
25 chamber to take a very careful look at the

1 language that has been used by the people
2 submitting memos of opposition and look into
3 your own hearts and ask if you would use that
4 kind of language to characterize an ethnic
5 group, a religious group, people of another
6 race.

7 All of us as public officials
8 have a responsibility to be sympathetic to
9 people about whom we may not be as familiar as
10 our own circle of friends. Do we not expect
11 that much, at least that much from the New
12 York Times? Should we not expect that much
13 from organizations that purport to represent
14 senior citizens and young children and poor
15 people in New York City? But that is not the
16 case. What they have done is an
17 unconscionable smear campaign directed against
18 the hard-working dairy farmers of this state,
19 and it is a disgrace.

20 Let me read a few of the
21 statements that have been made in opposition
22 to this dairy compact and, point by point,
23 let's go through why they are incorrect and,
24 more importantly, why it is sad that they have
25 been made at all.

1 First of all, the Northeast
2 Dairy Compact will not enact a milk tax. That
3 is the single most scurrilous charge that has
4 been made. A milk tax which will only assist
5 "milkionaires" in getting richer. We've all
6 seen the memorandum and we've seen it
7 reprinted almost as a statement of fact by
8 reliable and very distinguished publications.

9 The true fact is that New York
10 dairy farmers have and are presently
11 subsidizing the price consumers pay for milk.
12 The farmer receives less per hundredweight of
13 milk than it costs him or her to produce that
14 milk. A tax is something which government
15 levies. A tax is a fee collected by
16 government for government services. It has
17 nothing to do with the price for a commodity
18 set by a duly constituted entity such as the
19 Northeast Dairy Compact.

20 "Milkionaires". This is
21 probably one of the most troubling things I've
22 seen in a long time. Boy, it's really
23 clever. This is how people in the public
24 relations world make big bucks, and this
25 relies on one of those stereotypes that's held

1 by a lot of people in the metropolitan area
2 and I don't just mean the New York City
3 metropolitan area, but other metropolitan
4 areas and that is an assumption that if people
5 have large amounts of land they are,
6 therefore, wealthy. Hence "milkionaires". It
7 is true that farmers obviously have to have a
8 great deal of land. You need several hundred
9 acres if you have several hundred cows. You
10 probably need at least 150 if you have 60
11 cows, which is the going number of cows to
12 support in any kind of standard of living, a
13 modest family.

14 But these are not people who
15 are able to turn their capital assets into
16 liquid wealth. When a farm family is down on
17 its luck, or when they're just trying to pay
18 taxes, they have to sell some of their land.
19 How many times can you do that and still have
20 enough left to farm? I have neighbors and
21 relatives who I've watched go through this
22 cycle. After you sell off a lot here and a
23 lot there and people move into the area and
24 they don't like the idea of manure being
25 spread or they're uncomfortable about some of

1 the other farm activities which take place,
2 eventually it's unprofitable and unpleasant
3 for the farmers to even stay in business.
4 Whole communities have been taken over by
5 people who've moved into what they thought was
6 an idyllic rural area and then, unhappy with
7 normal farming activities, they have forced
8 changes upon it and they make it too
9 unpleasant for farmers to continue in
10 business. Do these sound like "milkionaires"
11 to you? No, they're not.

12 But sadder still is what
13 happens when a farm is auctioned. I've seen
14 farms go for auction where the net value by
15 the local assessor was, in fact, well over a
16 million dollars. Not a half a mile from my own
17 farm, I watched a farm go for auction less
18 than a year ago. It had been appraised at over
19 a million dollars, and when it was sold in
20 small parcels to people who were going to
21 build homes on it, the final total was less
22 than \$300,000.

23 Who benefits when that type of
24 scenario unfolds? They're not "milkionaires".
25 It is not a milk tax.

1 Another myth. Downstate milk
2 prices will go up beyond the \$3 mark and never
3 come down. I've seen this reprinted a couple
4 of different ways. Well, here are the facts
5 and I'm going to -- I'm going to just read
6 some of the testimony that was given yesterday
7 at a New York City hearing that I attended in
8 the New York City Council. Robert Wellington,
9 dairy economist from AgriMark of the New
10 England, which is a prominent New England
11 cooperative, stated that while prices did rise
12 immediately following implementation of the
13 compact, competition then caused the prices to
14 fall again, so that the whole and one percent
15 fat milk are down 7 cents per gallon from the
16 high. Additionally skim milk and two percent
17 milk have declined 12 and 13 cents
18 respectively.

19 The claim that the price will
20 go up 20 percent a gallon is untrue. 20
21 percent was, in fact, the increase that
22 occurred in the first month, only the first
23 month, after the compact went into effect in
24 the Northeast, and that was because the
25 dealers decided and the retailers decided to

1 pass along the entire compact price to the
2 consumers where they could easily have
3 absorbed some of that themselves.

4 Now, the price is only up 4
5 cents a gallon for the month of February and
6 has never been as high as the 20 cents a
7 gallon increase again.

8 Another myth. The wealthiest
9 farmers will receive most of the so-called
10 "bonus payments" generated by the compact.
11 The poorest won't get enough to cover their
12 annual grocery bill. O.K. Couple of important
13 things here. Let's -- first of all, I don't
14 know of any wealthy farmers in this state
15 right now. I wish I did. If they have huge
16 amounts of wealth, it's not from the dairy
17 industry. A family with fewer than 29 cows is
18 really a hobby farm. They are not a viable
19 dairy operation. Majority of the farms, as
20 has already been explained, are in the 60- to
21 100-cow range, and they can manage with that
22 amount of cows if they're entitled -- if they
23 receive a fair price for milk. Larger farms
24 are still family farms.

25 Yesterday I was accompanied to

1 the New York City Council Consumer Affairs
2 Committee hearing on the dairy compact by
3 three farmers. I asked three farmers
4 representing different size farms to testify
5 with me so that they could refute this
6 personally. The large farmer who participated
7 was Patrick Van Lieshout. The Van Lieshout
8 family in Oneida County are five brothers and
9 a father and mother who together farm with 450
10 cows. You do the math. That's six families
11 to 450 cows, plus the hired people who work on
12 that farm. Now, does that sound like one
13 wealthy farm to you? No. It is a significant
14 disbursement of responsibilities in a
15 cooperative arrangement so that everybody can
16 make a decent standard of living provided the
17 price for milk is fair.

18 The other people who testified
19 with me were Ray Christiansen, who is a farmer
20 from Delaware County. He is also the chairman
21 of the Delaware County Board of Supervisors.
22 He has, I believe it's 60 cows. He explained
23 the implication for a family of that size and
24 why the compact price would make a difference
25 to hold his farm solvent, and the smallest

1 farmer of all, another member of the Delaware
2 County Board of Supervisors, Mr. Batcheller,
3 explained that with his fewer than 30 cows he
4 was only continuing farming because it's
5 something he has always done, always wanted to
6 do, not likely to pass on in his family but he
7 wants it to at least be viable that he can do
8 it while subsidizing with off-farm income.

9 Another myth. Publicly
10 supported feeding programs such as food
11 stamps, school lunch, hospital and day care
12 programs will pay millions annually. Well,
13 first of all, we know the prices are not going
14 to rise to the extent that has been claimed by
15 some of the detractors. Certainly they're not
16 going up over the \$3 mark; they're not going
17 up even 20 cents. They're only going up that
18 four cents.

19 Secondly, the Northeast Dairy
20 Compact has held harmless both school lunch
21 programs and the WIC program. Now, I might
22 add that I think it's nice that the people who
23 are lobbying against this have expressed all
24 of this concern for day care centers and
25 senior citizen centers, and I feel that

1 concern too, but it is our obligation to look
2 for ways to offset increased costs to them of
3 all sorts.

4 We have an obligation to help
5 those programs remain viable, and I know some
6 of my other colleagues share this concern.
7 That's why we look for ways to increase
8 through salary enhancement for day care
9 providers. We look for ways to give them
10 targeted assistance to help offset the
11 increased cost of energy. There is no reason
12 why we have can't help them offset this modest
13 increase, and it will be a modest increase, in
14 the price of milk. We do that for everything
15 else. We have the good sense, the common
16 sense to recognize it is in the best interests
17 of the future of this state to do that for any
18 group that might be adversely affected; but
19 please remember that effect will be minimal,
20 will be very, very minimal, and it should not
21 in any way deter somebody from voting against
22 this.

23 Now, consider the alternative.
24 Let's consider the alternative of not doing
25 the Northeast Dairy Compact. The milk dealers

1 have enjoyed absolute market control at the
2 wholesale end. The price is regulated for
3 farmers by the federal government. It's
4 already been explained how it's set some place
5 else. The Minnesota and Wisconsin formula has
6 absolutely no bearing on what happens here in
7 New York State, but yet that is the price that
8 farmers have to accept and most dealers will
9 only pay a few pennies above that price, and
10 then at the retail level, the retail industry,
11 aside from price gouging laws which are rarely
12 enforced, can charge pretty much what it
13 wants. Those ends of this dairy industry will
14 do just fine, won't they, because after all
15 they can pass on the cost of transportation,
16 they can pass on the higher costs of doing
17 business if they have to ship milk in
18 refrigerated from some place out west.

19 It is the farmers here in New
20 York State who are forced to take a price who
21 have never had the ability to receive a higher
22 price that offsets some of the costs of doing
23 business.

24 Let's again review how the
25 compact sets that price for milk. Is it the

1 farmer setting a price? No, it is not. Who
2 sets the price. Is it government officials?
3 No, it is not. It is a federally recognized
4 compact. It allows states which are
5 contiguous in a region of the United States to
6 set a price with a combination of factors
7 included: The retail end, the wholesale end,
8 the farm end, and consumer representation.

9 Farmers comprise a distinct
10 minority of the people who sit on the compact
11 commission setting that price. In fact, there
12 are those who have said it would be better if
13 the farmers didn't sit on it at all because
14 there is just as much sympathy from the
15 consumers in New England to give them that
16 fair price.

17 What we've seen in the last
18 couple of weeks is a new low in journalism.
19 The New York Times came out with an editorial
20 that used every one of the buzz words fed to
21 them by the lobbyists for the milk dealers who
22 are fighting this. Governor Pataki would
23 "milk the poor". What a poignant statement
24 for the New York Times to make on February
25 16th, and it says Governor Pataki wants to tax

1 poor mothers, many of whom live in urban
2 ghettos so that he can subsidize his
3 supporters in upstate dairy communities.

4 I think that manages to offend
5 just about everybody in this chamber, from
6 those who don't like to hear urban areas
7 referred to as ghettos to those of us who
8 represent upstate areas and don't like to hear
9 references to what amounts to a political buy
10 off by the Governor. I don't think the
11 Governor deserves this. I don't think our
12 urban constituents deserve it, and I know our
13 farmers don't deserve it.

14 It uses the buzz word
15 "cartel". The Governor uses the sanitized
16 notion of a dairy compact to explain his
17 policy, but anyone else would call it a dairy
18 cartel that could drive up milk prices across
19 the state by -- I can't read the percentage
20 there; I guess it's ten percent, so they've
21 hedged their bets a little bit. The only
22 cartel we're talking about here, my friends,
23 are the milk dealers, the milk dealers who
24 have rallied and lobbied to fight this with a
25 million dollar war chest in Washington, and

1 I'll get to that in a minute. It is not the
2 farmers who are engaged in a cartel.

3 If the bill passes, milk prices
4 could rise from about 2.55 a gallon to about
5 2.75 a gallon. There is no worse tax -- again
6 misuse of the word "tax" -- for poor families
7 than a tax on food, and then it closes with
8 saying the same upstate Republicans who
9 ridicule welfare that goes to poor families in
10 New York City appear unwilling to stomach the
11 use of that term when it applies to their
12 constituents.

13 I am sick to my heart about
14 that. I am an upstate Democrat, not an
15 upstate Republican, but I know the people in
16 my district grieve at the use of this
17 language. We do not ridicule anybody for
18 welfare, and we do not want people to think
19 that allowing farmers of this state to have a
20 fair price for the milk they produce is
21 welfare either. Let's try to have more
22 sensitivity, New York Times, in addressing
23 this in the future.

24 In contrast, let me read from
25 the Boston Globe an editorial in a state that

1 has been receiving the compact price now since
2 last summer: Keeping Dairy Farms Afloat,
3 Tuesday, February 10.

4 "Massachusetts dairy farmers
5 who often lead precarious existences, face
6 another challenge from those who would undo a
7 regional compact that provides enough price
8 stability to keep them going despite rising
9 costs. The New England Interstate Dairy
10 Compact set up to guarantee a minimum price of
11 \$1.46 a gallon to farmers deserves continuing
12 support from the Legislature and Acting
13 Governor Sallucci. Were the interests of dairy
14 farmers alone at stake, a case might be made
15 for forcing them to accept competition from
16 farmers elsewhere, but other factors make the
17 survival of dairy farmers here and in other
18 New England states desirable despite the
19 slightly higher cost for consumers.

20 "Dairy farms have been in
21 decline for years. In Massachusetts there are
22 about 320 operating on 130,000 acres of
23 prime agricultural land that is valuable as
24 open space in addition to producing about 20
25 percent of the milk consumed in the state.

1 Gray Healy, the state's Commissioner of
2 Agriculture, estimates that perhaps 50,000 of
3 those acres would fall out of agricultural use
4 were dairy farming to collapse. That is more
5 than the amount of land that has been set
6 aside over the last 20 years under the state's
7 real estate tax program for sheltering farm
8 properties from development.

9 "Nor would consumers
10 automatically benefit from displacement of
11 local farms by cheaper operations outside of
12 New England. Any savings would partially be
13 offset by added transportation costs -- 28
14 cents per gallon from Buffalo, for example,
15 and consumers would lose access to fresher
16 milk from local sources, often on the table a
17 day after having been drawn from Massachusetts
18 herds."

19 And the Boston Globe concludes
20 by saying, "A dairy farm conducted as a small
21 business frequently by a family enhances the
22 quality of life for all New Englanders. The
23 minimal assistance needed to keep dairy farms
24 viable is a small price to pay for a large
25 return."

1 Oh, that we had an editorial
2 philosophy of that sort in some of our New
3 York City papers. But I believe it is
4 coming.

5 Yesterday a very, very
6 important hearing was held in the New York
7 City Council, and I thank Speaker Peter
8 Vallone very much for involving this -- this
9 legislator and other people in that hearing.
10 I thank the City Council member who chairs the
11 Consumer Affairs Committee, Karen Koslowitz,
12 who presided over that hearing. She was
13 fair. She attempted to give everybody on all
14 sides of this issue a chance to be heard.

15 One of the more important
16 discussions that I had yesterday occurred
17 after I had testified. Shortly after my
18 testimony, there was a panel put together of
19 consumer groups who oppose the compact. I
20 don't remember each one of the groups by name
21 but there was a senior citizen group, there
22 was somebody from -- I think there were two
23 from day care centers. Their testimony all
24 had a very similar ring. They all used the
25 same buzz words we heard there before. Most

1 of them spoke with really limited knowledge of
2 agriculture, and they believed on face value
3 everything that they had been told by others,
4 and I spoke with some of these ladies outside
5 in the hallway on my way to the ladies' room
6 and I asked them where they received their
7 information, and they told me that it had been
8 provided to them by people from Albany, they
9 mentioned NYPIRG, which is one of the groups
10 that's in opposition and the people that work
11 with NYPIRG, they said, and I asked them if
12 they knew that the people who had provided
13 them that information were also retained as
14 lobbyists for the milk dealers, and one woman
15 looked horrified and she said, "No, I
16 certainly did not, and if that's true it's
17 disgusting."

18 Senator Patrick Leahy of
19 Vermont, serving in the United States Senate,
20 chaired the U. S. Senate Agriculture Committee
21 when the Northeast Dairy Compact was
22 implemented, and he's fighting valiantly to
23 make sure that it's going to survive even if
24 it only survives in the New England states.
25 But he's done some interesting analysis about

1 what is happening on the influence buying area
2 in Washington, and now we know how it's being
3 extended into New York.

4 On April 21st of this year,
5 Senator Leahy issued the following statement:

6 "Some larger dairy processors
7 have waged a war against the Northeast
8 Interstate Dairy Compact with little regard
9 for the facts. Apparently they do not want
10 farmers to get the prices they deserve for
11 their milk. This was expected, but it is
12 deeply disappointing that their campaign has
13 sunk to corrupting the analysis of a leading
14 consumer group, Public Voice for Food and
15 Health Policy.

16 The opponents of the dairy
17 compact have come to realize that they may
18 lose their challenge to the compact in the
19 federal court, and they have lost it, and now
20 they are going state to state in an attempt to
21 convince northeastern legislatures to withdraw
22 from the compact. This anti-compact lobbying
23 campaign is fueled by corporate money and
24 propped up by corrupted arguments. Their aim
25 is to kill the compact in the cradle before it

1 has a chance to prove its worth to hard
2 working dairy farmers and to the economics of
3 various communities in Vermont and throughout
4 our region. These large dairy processors are
5 spending considerable sums to try to convince
6 the public that the battle over the dairy
7 compact is a struggle between rich dairy
8 farmers and consumers. In fact, this is
9 really a battle between well-off dairy
10 manufacturers and struggling dairy farmers.
11 These huge dairy manufacturers cannot win over
12 the editorial boards of the New York Times or
13 the Washington Post on their own merits, but
14 if a group like Public Voice carries their
15 public relations message casting this as a
16 consumer issue, then they have a foot in the
17 door.

18 Senator Leahy did a further
19 analysis and showed a chart showing -- and he
20 states "*** the unseemly web of money and
21 promises between the dairy processors and
22 Public Voice are exposed. For example, we
23 know that between January 1995 and June 1996,
24 Public Voice accepted \$41,000 from the Inter
25 national Dairy Foods Association. We do not

1 know how much IDFA has contributed to Public
2 Voice after June 1996 or how much -- or how
3 many of IDFA's corporate members have
4 individually contributed to Public Voice."

5 Also an interesting note that
6 Senator Leahy made in his statement, in June
7 1996, the senior vice-president for programs
8 at Public Voice publicly defended his
9 organization from charges that its analysis
10 was influenced by dairy corporate
11 contributions. Some time within the next six
12 weeks, the same Public Voice vice-president
13 left the organization to accept a consultant
14 job for M&R Strategic Services, a lobbying arm
15 of IDFA.

16 For a six-month period in 1996
17 IDFA paid at least \$30,000 to M&R Strategic
18 Services for its lobbying effort. M&R
19 Strategic Services is referred to by Malcolm &
20 Ross, lobbyists headquartered here in Albany
21 as their research arm in Washington.

22 But not all consumer groups,
23 Public Voice and some of the others who have
24 registered their anti-compact positions here,
25 not all consumer groups are as gullible as

1 those or co-optible as those. Fortunately
2 there are a few that have taken the time to
3 truly study the issue and they believe in the
4 importance of keeping New York dairy farmers
5 viable, not only for the benefit of dairy
6 farmers in the upstate economy but for the
7 benefit of New York City consumers.

8 Just Food, 625 Broadway, New
9 York, New York, issued the following statement
10 in January: "Just Food, which is a food system
11 whose work touches on issues as seemingly
12 disparate as farm preservation, gardening,
13 social justice, nutrition education,
14 environmental stewardship and hunger
15 alleviation, can make lasting positive changes
16 in our local and regional food system. Just
17 Food has chosen to focus on collaborative
18 projects which support the nation's farmers
19 while increasing the availability of healthful
20 locally grown food to the people of New York
21 City, particularly those with little or no
22 income. We believe these goals to be mutually
23 supportive, not mutually exclusive, and enjoy
24 cultivating the ground in which innovative
25 projects can take root.

1 "Among our primary goals is to
2 enhance the viability of regional family farms
3 and to support healthy rural and urban
4 communities by promoting relationships between
5 local farmers and New York City residents. We
6 believe the Northeast Dairy Compact to be one
7 step in the right direction in fostering the
8 economic viability of New York's dairy
9 farmers. The compact will help to stabilize
10 milk prices in New York State, support the
11 rural New York communities where the dairy
12 industry is integral to economic well-being,
13 strengthen food security in our region and
14 ensure a safe and local supply of milk to New
15 York City, maintain a secure and reasonable
16 milk supply for the Women, Infants and
17 Children's program which is held harmless by
18 the compact as school lunches now will be.

19 "Just Food endorses New York
20 State's membership in the Northeast Dairy
21 Compact. It has become increasingly clear that
22 Just Food, our members and our partner
23 organizations need to help create a
24 sustainable and just food system in our
25 region. We need to support all of the farmers

1 in our state. Only with a thriving and
2 growing agricultural sector will we be able to
3 meet more of our own food needs, sustain
4 meaningful livelihoods and strong rural
5 communities as well as protecting the natural
6 resources upon which our lives depend.

7 "Allowing the dairy industry
8 to further decline in New York State will make
9 it more difficult for other farmers to make a
10 living and will surely result in our milk
11 being shipped from farther and farther away,
12 making our food supply less fresh, less
13 nutritious and less reliable."

14 I could go on with other
15 statements in support, but I think the most
16 important things to remember are the fact that
17 we have here an industry in New York State in
18 which we have always taken pride, that we have
19 taken for granted. The upstate economy pivots
20 around the dairy industry. When farmers are
21 healthy and thriving, they spend their money
22 locally. Every dairy dollar turns around six,
23 seven or eight times in a local community, but
24 when farms go down they take with them grocery
25 stores, feed stores, farm implement dealers,

1 banks, supermarkets and eventually whole
2 communities suffer the effects of the loss of
3 agriculture.

4 We don't have large corporate
5 farms in New York State. They exist in
6 California with thousands of cows. Most of
7 our farms in this state are small family
8 farms, a few like the Van Lieshouts are larger
9 family farms, but there are only eight farms
10 in New York State that are not family owned.
11 Clyde Rutherford, who is the president of
12 Dairylea and a dairy farmer himself, made that
13 statement yesterday.

14 The thing I found amazing was
15 that I immediately could identify three of
16 those eight non-family farms. One is the
17 AGWAY Research Center, one is at Morrisville
18 College, and one is at Cornell University.
19 That means there are only five so-called
20 corporate farms in New York State, not family
21 owned.

22 We are talking about the life
23 blood of our state, my friends, even though
24 most of us are far removed from it. We have
25 lost sight of what its farm families are doing

1 now. We owe it to them to keep this compact
2 in place in New England and to allow New York
3 State to enter it so that we can have a viable
4 dairy industry and a safe milk product for our
5 children and grandchildren at an affordable
6 price.

7 If we do not allow this compact
8 to be introduced in New York State, the future
9 is clear. There will be milk availability but
10 at a higher cost, and the cost will be
11 generated to the benefit of the dealers and
12 the retailers, but the farmers will be in some
13 other part of the United States. We will be
14 paying for transportation costs so that milk
15 can come from Idaho and the far west. We will
16 not be helping the farmers who are here today
17 and the farmers who come to Albany every year
18 to lobby us to continue doing what they have
19 done so well.

20 Let's not take them for
21 granted. Let's make sure that we give our
22 farmers an opportunity to farm under the
23 Northeast Dairy Compact.

24 ACTING PRESIDENT MARCELLINO:

25 Thank you, Senator Hoffmann.

1 Senator Nozzolio.

2 SENATOR NOZZOLIO: Thank you,
3 Mr. President.

4 Mr. President, my colleagues,
5 my remarks will be brief and to the point as
6 is the case for most dairy farmers in this
7 state and all farmers, they focus on the
8 issue, it's hard to say a few words and make
9 their point and that's what I would like.

10 I have the honor of
11 representing a number of large dairy counties,
12 if not the largest dairy producing county in
13 the state, which I believe is Cayuga County,
14 and I've never seen such a group of
15 hard-working people in any walk of life than
16 those who engage in farming but particularly
17 the trials, the tribulations, the challenges
18 of dairy farming.

19 Senator Kuhl and Senator Wright
20 very eloquently stated the plight of our dairy
21 farmers in New York. Those reasons enough
22 would be reasons to vote for this measure, but
23 frankly beyond saving the dairy industry of
24 this state, a noble purpose, the essence of
25 this measures saves consumers of this state,

1 saves them dollars and ensures that a fresh
2 product will always be available to them.

3 That's the purpose of this
4 bill. That's the essence of this bill and all
5 the nuances about processors and contributions
6 and all the issues that can -- somehow
7 certainly are relevant but somehow cloud the
8 essence of what we're trying to do. The
9 essence of what we're trying to do is ensure a
10 fresh supply of a fresh commodity for the
11 consumers of this state.

12 That's what this bill does. It
13 gives no special treatment. It provides no
14 special favors. Frankly, it was designed -
15 and I applaud its sponsor, Senator Kuhl. It
16 was designed to ensure that there is
17 continuation of a production of a commodity
18 that is essential to every household in this
19 state. That's why we are supporting this
20 measure. That's the essence of the measure
21 and that's why it deserves support not just
22 from those who wish to support the dairy
23 farmers, not just those from upstate New York
24 but from every corner of this state, in every
25 street, in every municipality in New York

1 should be supporting this measure for that
2 reason.

3 Mr. President, my hat's off to
4 the men and women who are dairy farmers. We
5 applaud their work, applaud what they do, but
6 most important, this measure protects the
7 consumers of this state and that's why I urge
8 its passage.

9 ACTING PRESIDENT MARCELLINO:
10 Thank you, Senator Nozzolio.

11 Senator Dollinger.

12 SENATOR DOLLINGER: Would the
13 sponsor yield to just a couple of questions?

14 ACTING PRESIDENT MARCELLINO:
15 Senator Kuhl, do you yield?

16 SENATOR KUHL: Certainly.

17 ACTING PRESIDENT MARCELLINO:
18 He yields, Senator.

19 SENATOR DOLLINGER: Through
20 you, Mr. President. What is the effect or
21 what happens if milk -- if we join the compact
22 and milk is imported from either Pennsylvania
23 or Ontario or Quebec, what happens to the
24 price of that milk?

25 SENATOR KUHL: How imported,

1 sir? Explain what you're talking about when
2 you're referring to importing.

3 SENATOR DOLLINGER: Well, we
4 enter into the compact which allows the price
5 -- the sale price for the milk to be
6 established by the compact board, correct?
7 That would apply to milk produced in New York
8 State. That's -- the concern, as I understand
9 it, is to keep production constant in New York
10 State. What about if someone in Pennsylvania
11 sold milk to a New York producer at let's say
12 \$2 less per hundredweight?

13 SENATOR KUHL: Watch the
14 language you use, Senator. Producer is
15 generally referred to as a farmer. Processor
16 is, I think, what you mean to say.

17 SENATOR DOLLINGER: Processor.
18 You're correct. Again, you understand my lack
19 of familiarity with some of the terms here.
20 Suppose it's sold to the processor at a
21 smaller price, a reduced price. What's the
22 effect? Wouldn't this increase -- doesn't
23 this give an incentive for processors to
24 import milk from Ontario, Quebec,
25 Pennsylvania, Maryland, Ohio?

1 SENATOR KUHL: That scenario
2 that you've set up, Senator, would not
3 happen. There's a requirement that milk sale
4 -- sold to a processor in New York be the
5 same kind of prices as required in the compact
6 for milk produced in the state and sold to a
7 processor.

8 SENATOR DOLLINGER: Again
9 through you, Mr. President. So in essence if
10 we join this compact, we're actually setting
11 the price not only of milk produced in New
12 York State but milk produced outside New York
13 State which is sold to processors inside.

14 SENATOR KUHL: That scenario is
15 happening right now, as a matter of fact.
16 There are six -- we've heard there are six
17 states that are currently consisting of the
18 compact. We have roughly 1200 New York
19 farmers who are selling into the -- or
20 processing in those states and they are
21 receiving the compact price.

22 SENATOR DOLLINGER: Is the
23 compact price currently higher than the price
24 in New York State? Again through you, Mr.
25 President.

1 SENATOR KUHL: The compact
2 price currently is \$16.94 and that will be the
3 price for the foreseeable future. The price
4 in New York right now is somewhere around
5 \$14.90, in that area. So it's higher than
6 what is currently the price being paid to
7 other farmers in New York.

8 SENATOR DOLLINGER: Again
9 through you, Mr. President. So what you're
10 telling me is the markets work in such a
11 fashion now that the milk in New York State,
12 when it's sold in the compact, makes more
13 money for the farmer, is that correct, when
14 it's sold in the Northeast Compact currently.

15 SENATOR KUHL: That's correct.

16 SENATOR DOLLINGER: Okay.
17 Again through you, Mr. President, if Senator
18 Kuhl will continue to yield.

19 ACTING PRESIDENT MARCELLINO:
20 Senator Kuhl, do you continue to yield?

21 SENATOR KUHL: I would be happy
22 to, Mr. President.

23 ACTING PRESIDENT MARCELLINO:
24 The Senator is happy to continue to yield.

25 SENATOR DOLLINGER: What will

1 the effect of joining the compact be on the
2 production of New York State from the point of
3 view of its quantity? Would you expect it
4 would go up or go down?

5 SENATOR KUHL: Unpredictable,
6 see, because you just don't know what's going
7 to happen. What we're seeing right now is
8 there is a slight percentage increase in
9 various parts of the Northeast while in New
10 York we've seen a decrease. What that's
11 related to, whether it's tied to the compact
12 or not, I think is indiscernible.

13 SENATOR DOLLINGER: Again
14 through you, Mr. President. Senator Kuhl,
15 isn't it fair to say that the one ingredient,
16 the most important ingredient in the price of
17 milk, whether it be fluid milk or any other
18 kind of milk, is the scarcity of its
19 production?

20 SENATOR KUHL: I don't know as
21 you can generalize the system the way it's set
22 up that way, Senator.

23 SENATOR DOLLINGER: Again
24 through you, Mr. President. Don't you think
25 under those old Adam Smith theories that if

1 there was a smaller supply, it would drive the
2 price up, supply and demand being sort of the
3 modicum that now controls our markets, makes
4 all of our markets work?

5 SENATOR KUHL: What you have
6 here is a system that's set up that's been in
7 place for a number of years. It's been
8 altered by federal law in a couple of cases
9 the past couple of years and it's convoluted
10 the normal supply and demand kind of concept.
11 So you really can't generalize. Plus you're
12 dealing with different classes of milk in this
13 particular area.

14 What we're talking about -- and
15 this compact only applies to what we refer to
16 as fluid milk or Class 1 milk. We're not
17 talking about milk that's used in the
18 production of cheese or whatever else it may
19 be. So when you start to generalize like
20 you're attempting to do in asking questions, I
21 can't be specific in the answers because to
22 say one thing would be, I think leading you to
23 believe something or maybe leading you to a
24 response that isn't necessarily true.

25 SENATOR DOLLINGER: Again

1 through you, Mr. President, just one other -

2 ACTING PRESIDENT MARCELLINO:

3 If the Senator continues to yield.

4 SENATOR KUHL: I would be happy
5 to.

6 ACTING PRESIDENT MARCELLINO:

7 He's happy to.

8 SENATOR DOLLINGER: Wouldn't it
9 be fair to say, Senator, if milk production
10 overall went down in this state, that the
11 price would go up because there would be -
12 assuming constant demand that if you reduce
13 the supply, you'll increase the price?
14 Wouldn't you agree with that scenario?

15 SENATOR KUHL: No, I wouldn't,
16 because that's exactly what has not happened.
17 The price -- or the supply of milk over this
18 last year has decreased I'm told about 2.9
19 percent and what has happened to the price of
20 milk? It has not gone down, has it? It's
21 gone up, if anything, as far as the retail
22 level but the price -- if you talk about a
23 diminishment of the availability of milk in
24 this state, it has decreased but the price to
25 farmers has, in fact, gone down. So you can't

1 generalize, is what I'm saying to you because
2 it's a difficult market to just analyze,
3 supply -- normal supply and demand economics.

4 SENATOR DOLLINGER: Again
5 through you, Mr. President.

6 ACTING PRESIDENT MARCELLINO:
7 Senator Kuhl, do you continue to yield?
8 Excuse me, Senator. Do you continue to yield,
9 Senator?

10 SENATOR KUHL: I would be happy
11 to.

12 ACTING PRESIDENT MARCELLINO:
13 He's happy to.

14 SENATOR DOLLINGER: Wouldn't it
15 be safe to assume, Senator, that this market
16 like every other market will respond the way
17 markets do when supply goes down, assuming
18 constant demand, production would go up and
19 vice versa, when production is up, demand is
20 constant, that supply -

21 SENATOR KUHL: You and I as
22 students of economics might rationalize and
23 realize that that should normally happen,
24 Senator, but I think what you'll find is
25 experience -- when you look at actual

1 experience, the factual circumstances in
2 various spots throughout the compact and the
3 non-compact region, that that's not true. You
4 cannot talk in generalities about this issue.

5 SENATOR DOLLINGER: Okay.
6 Thank you very much. Thank you very much,
7 Senator Kuhl.

8 I rise today to speak against
9 this bill, and I do so with something of a
10 heavy -

11 ACTING PRESIDENT MARCELLINO:
12 Senator Dollinger, on the bill.

13 SENATOR DOLLINGER: Yes. Thank
14 you, Mr. President.

15 I think unfortunately I'm going
16 to use a personal dramatization of why I think
17 there's a problem and I hope everybody can see
18 it.

19 I have a glass in my hand. I
20 had two glasses of whole milk today. I'm the
21 only one in this chamber who drinks whole
22 milk. My wife -- my wife -- I drink it in
23 this chamber. My wife won't let me drink
24 whole milk at home. I drink one percent or
25 two percent, but I would suggest to you that

1 this little demonstration, if you look around
2 the room, look what's on top of everybody's
3 desk, juice, coffee, beverages, mostly Diet
4 Pepsi, look what's on the table.

5 The problem is, at least from
6 my point of view, what you have today is
7 unfortunately the market demand for milk has
8 gone down. The competition from other forms
9 of beverages has gone up and as a consequence,
10 we now are faced with a bill that I think
11 Senator Nozzolio aptly described, it's a bill
12 designed to keep the production constant.
13 It's designed to keep production up even
14 though based on what I can tell the world of
15 supply and demand, a very harsh world in which
16 we live, a world that creates markets and
17 takes them away, has had the effect of
18 reducing the consumption and the production
19 and the need for milk, and as a consequence,
20 what this bill is designed to do is something
21 that, quite frankly, I find so unlike
22 Republicans to do, and that is to say to a
23 marketplace, which many of us strongly
24 support, the importance of markets, that
25 markets can correct themselves, that they will

1 change people's behaviors, that they will work
2 when there is a decrease in supply and an
3 increase in price, what happens? Supply will
4 increase because it is a favorable price, and
5 I would suggest that in the dairy markets,
6 what we've done is tinkered with the market.
7 Perhaps Senator Kuhl is correct that we have
8 tinkered with this market too much but it
9 seems to me the time to tinker with it is now
10 gone.

11 What we need to do is look at
12 the marketplace and figure what the
13 marketplace is all about and what's the role
14 of government in that marketplace.

15 I'd call the attention of
16 everyone in this chamber to a debate that we
17 had last year in which the tables were
18 completely flipped in this case. You remember
19 the Democrats on this side of the aisle were
20 arguing for rent control, that form of
21 government intervention in the marketplace
22 that affected the fair market price of housing
23 in New York City and the Democrats on this
24 side of the aisle generally said, we support
25 the concept of rent control. We support the

1 government's entry into the marketplace to
2 affect the market-driven forces that make
3 apartments available in New York City. We
4 influence the market on its supply and
5 demand.

6 Now today we have the
7 Republicans in this chamber doing exactly the
8 same thing, saying we have to go back into the
9 milk marketplace to protect the production of
10 milk in this state. Recognize that there is
11 one significant difference between those two
12 debates.

13 ACTING PRESIDENT MARCELLINO:

14 Excuse me, Senator. Can we have some order in
15 the chamber, please.

16 SENATOR DOLLINGER: A

17 philosophical difference that is important to
18 understand the different position of at least
19 this Democrat on those two issues.

20 In rent control, we had one
21 important provision and it said that if the
22 production of rental housing reaches a point
23 where the vacancy rate in New York City is
24 five percent, rent control disappears. If we
25 overproduce housing in New York City, the

1 system of government intervention in the
2 marketplace evaporates.

3 In this debate, there is no
4 such provision. There's nothing that
5 restricts increased production. In fact,
6 there's a guaranteed price that would be paid
7 regardless of how the markets respond.

8 I would suggest to those who
9 suggest they are fiscal conservatives that a
10 fiscal conservative would say, I know that the
11 market can be almost punitive at times but
12 nonetheless if we let the markets work, the
13 markets will find the balance that society and
14 consumers drive them to.

15 I would suggest in closing, Mr.
16 President, that the problem here is not
17 efficiency of production. These farmers are
18 the most efficient dairy farmers in the
19 world. It's not an issue of production to
20 increase the demand for milk, to get a higher
21 price for milk. It's all about those little
22 mustaches that you see painted on sports
23 stars. It's all about competition with the
24 Pepsi generation. It's all about juices and
25 people using those as other forms of

1 beverage. It's about bottled water. It's
2 about two percent milk. It's about the fat
3 scare in whole milk. I still love the
4 delicious taste. I think it's the
5 best-tasting stuff made, but I suggest to you
6 that the solution to the problem for dairy
7 farmers in this state is not to further tinker
8 with the markets and guarantee continued
9 production when what we ought to be doing in
10 government is increasing the marketing,
11 increasing the size of the market so you have
12 a better market to sell to.

13 I would also suggest that the
14 proper role of government is to create
15 incentives to give further tax relief, to give
16 regulatory reform. Those are things that will
17 allow you to be more competitive in the
18 marketplace, but it's only by creating greater
19 demand that we will solve the problem of New
20 York's dairy farms. The compact which
21 reduces, which guarantees production without
22 increasing demand is shortsighted, in my
23 judgment. It will not produce the long-term
24 benefit that the farmers and dairy farmers in
25 this state need.

1 I would suggest to you that you
2 come to the floor and market among my
3 colleagues. That's how you can make a greater
4 market for milk, and I suggest that if that's
5 the way to solve the problem, not enter into
6 the market, ask government to intervene in the
7 marketplace and do something that government
8 has proven itself historically very bad at
9 doing, which is trying to influence the price
10 the consumers and individuals pay for
11 products, it's a bad idea.

12 ACTING PRESIDENT MARCELLINO:

13 Thank you, Senator.

14 Senator Marchi.

15 SENATOR MARCHI: Mr. President,
16 we've assisted at a very fine discussion of an
17 issue that is very sensitive. We know that
18 because it -- there is the suggestion that it
19 may be more costly to people, but we have to
20 take a solid, reasoned position on the
21 preservation of an important economic sector
22 of our economy in this state where a few
23 thousand people are -- at the price of
24 excruciating effort on their part to deliver a
25 good product to the public is penalized over

1 the capricious and cavalier habit of -- and I
2 think you made the argument very eloquently.
3 Normally it applies, Senator Dollinger -- the
4 capricious exercise of rogue states which can
5 dump and which can destabilize almost any
6 transient form of commerce.

7 We cannot ship an apartment
8 into New York City to encourage a reversal, an
9 augmentation of housing unless -- unless we
10 create the premises for their construction,
11 but not to do this is really to turn a deaf
12 ear, and I mean this with no disparaging
13 innuendo on anyone's statement here, because I
14 think every statement that's been presented
15 has been thoughtful and on the merits, but we
16 cannot take this road.

17 I remember in 19... well, the
18 mid-'70s when we had the City crisis and there
19 was a question of the City fiscal crisis and
20 the involvement of the upstate members who
21 ostensibly represented a greater sensitivity
22 towards perhaps parochial concerns that might
23 rear their ugly head in primaries and what
24 else, suggested that there's some distance
25 that separates us from the reality that was

1 taking place in the city of New York. There
2 are not very many members here who were
3 present at that time, I believe Senator
4 Stafford and Senator Stavisky. I know that on
5 the other side of the aisle they were solid as
6 they should have been and there were a
7 sufficient number on our side to give that the
8 emphasis and the reinforcement that was needed
9 in Congress and the house -- and the White
10 House over the urgency of our problem. So we
11 presented a united front in this state and we
12 carried the day and those who were parties to
13 it did not see the state lose a nickel and the
14 federal government by coming in on guarantees
15 -- and I can tell you there were a few of us
16 that went down -- Senator Ohrenstein and
17 myself were constantly before congressional
18 committees and with the White House, Secretary
19 Blumenthal and others, that filled in that
20 period, they were able to get a small
21 percentage of the fact that all these bonds
22 were marketed and it accrued income to the
23 federal government in terms of one percent.

24 So I believe that if we turn a
25 deaf ear here -- and there may be some who

1 have what they feel are meritorious reasons,
2 but we cannot be in conflict with ourselves.
3 If we say no to this community of hard workers
4 who ask nothing but to go ahead and keep
5 working hard to turn out a decent product, who
6 are not as well organized as some of your
7 thoughtful speakers on both sides of the aisle
8 have pointed out, it is up for us to -- it is
9 up to us to seize this opportunity and to
10 restore a sense of balance here.

11 This is not forever. The track
12 that we're traveling on here will come to an
13 end at some point and then the forces of a
14 free and unfettered economy can take over, but
15 we cannot wait for heavy casualties.

16 I don't believe that New York
17 State can afford a heavy casualty and the
18 continuing hemorrhage that is now taking place
19 in that sector. We don't want to do that.
20 I'm sure that no one here would do it out of
21 their meanness or their hard characters and
22 they appeal to other considerations, but these
23 people are crying for help and we should be
24 responsive in every way conceivable, and
25 Senator Kuhl has worked out, I think in

1 cooperation with many, a workable solution
2 that will not materially affect the economics
3 of this state except to stabilize it and at
4 the same time provide a bridging mechanism so
5 that we don't experience further losses.

6 We can't afford this, Mr.
7 President. We can't afford this
8 economically. We can't afford it in terms of
9 human effort which is endless. We cannot
10 afford it in the crushed dreams of people who
11 are struggling hard.

12 The suggestion was made perhaps
13 that they might borrow against operating
14 expenses. You can't borrow against -- you
15 might do it for a capital improvement, but to
16 do it with operating expenses to tide you to
17 where? The spiral is all downhill, and let us
18 not turn a deaf ear.

19 I remember all too well, all
20 too well when we had that crisis in the city
21 of New York, and I appreciated the fact that
22 there were members on this side of the aisle,
23 and as I believe that there are on that side
24 of the aisle, who were willing to come to the
25 assistance of the City and we won and carried

1 the day.

2 If we deliver a strong message
3 here in this house, it will give it the
4 reinforcement and the power and the propulsion
5 to go out and also encourage our brothers and
6 sisters down the corridor in the Assembly and
7 the Governor, of course, is properly -
8 properly supporting this legislation.

9 So I suggest, Mr. President,
10 that we behave as one state. We're 18 million
11 people. We're 18 million people who do not
12 deplore the -- who, perhaps because of the
13 minutiae of political considerations might be
14 dictated -- and I know this is not going to
15 happen here. I know that you're going to take
16 a vote and make a vote on the subject of your
17 conscience, but weigh these elements very
18 carefully, human compassion, intelligent
19 reaction to people who work hard. You know,
20 we don't put those kind of hours in most of
21 the other sections of the state and other
22 sectors of our economy and yet they're working
23 under these punishing conditions.

24 I believe it was Senator Wright
25 who compared on a case by case, sector by

1 sector increase in expenses and here we've
2 been grinding them down to dust. Let us
3 preserve what we have and enrich it and bring
4 greater numbers to it as are needed but let us
5 not take the heart and the efforts and say
6 that they're all for naught because we have
7 the power here in delivering a strong
8 bipartisan support to this legislation that we
9 will be furthering the interests of people who
10 are in genuine distress and at the same time,
11 I think make a valuable contribution to the
12 market stability of this state.

13 ACTING PRESIDENT MAZIARZ:

14 Thank you, Senator Marchi.

15 Senator Cook.

16 SENATOR COOK: Mr. President,
17 Senator Dollinger's no longer here, but I
18 think one of the points that needs to be made
19 is that one of the quandaries in the dairy -
20 in the dairy marketing business is that while
21 we're marketing on a regional basis, the price
22 is impacted by things that happen outside the
23 region. That's why the whole question of
24 supply and demand as it exists within the
25 region doesn't impact the price as it

1 theoretically ought to within the region and
2 it's all kind of a result of some decisions
3 that were made years ago but nevertheless
4 that's the situation with which we're
5 confronted, but the other thing I really
6 wanted to address was that his parallel
7 between rent control and the dairy industry,
8 because he said that we had switched sides on
9 this issue but, in fact, we had not, because
10 at that time some of us were arguing that the
11 very reason there was a shortage of rental
12 space was that it was impossible for persons
13 who wanted to provide rental properties to
14 make a profit on them, so they weren't
15 building them, and we're saying the same thing
16 about milk.

17 The present situation is making
18 it impossible for those persons who provide
19 milk to make a living at it, and what is going
20 to happen at some point -- and this is not
21 just a New York problem; it is a national
22 problem -- that, in fact, when the law of
23 supply and demand nationwide does catch up
24 with us, that 20 cents a gallon that some
25 people are talking about that milk is going up

1 will be a very, very small amount of what it
2 will go up because once these handlers get the
3 monopolies nationwide, there will be no limit
4 on how high the price can go, and I think that
5 that is something that we really ought to
6 recognize, that when you don't keep what you
7 have, that you buy what you don't have and
8 which is in the future going to be a real
9 problem for all of us, but I just wanted to
10 speak briefly about something more
11 generalized, and I think everyone has talked
12 about the plight of the individual farmer and
13 a lot of the facts that relate to this case
14 and all of those are important and I concur
15 with them, but I'm concerned that 40 out of
16 our 62 counties in New York State are really
17 dependent, the economies in those counties are
18 really dependent upon agriculture. Now, that
19 may not show up in the labor statistics, but
20 if you look at the amount of money, of cash
21 turnover that occurs in those counties, you
22 see that it is the cash that flows through the
23 agricultural industry in those communities
24 that makes the economy function. It makes it
25 possible for people to work in the stores.

1 It, in fact, makes it possible for them to
2 provide the school systems that hires the
3 teachers, that does all of the things that
4 make communities function.

5 Beyond that, we have heard
6 through the years and we've had a lot of good
7 discussions about the problems of the inner
8 city and time and time again we've heard
9 people say that one of the problems in the
10 inner city is the instability of the
11 community, that is, that people don't feel an
12 investment in the community. When large
13 numbers of them have to rely upon public
14 assistance, they don't feel the same
15 identification with the community that other
16 people do and people have said over and over,
17 if we only could provide jobs for these people
18 so that they felt that they were investing in
19 their community, then they would feel that
20 identification and it would solve a lot of the
21 sociological problems we have as well as the
22 economic problems of our inner city.

23 Well, what we are pleading with
24 you is don't transfer that problem to the
25 rural areas. Don't put these people who

1 provide the economic base for these 40
2 counties in a situation where large numbers of
3 them may, in fact, have no alternative except
4 to seek public assistance, and the problem for
5 the economy of those communities is just
6 multiplied. If you can imagine all of a
7 sudden ten percent of the farms in a
8 particular county going bankrupt, throwing
9 onto the market thousands upon thousands of
10 acres of land that have to be sold at some
11 kind of public auction for whatever amounts
12 they would bring, of livestock that will have
13 no markets -- in fact, we have situations
14 today where it literally costs people more to
15 send an animal to the market than they get out
16 of it when it's sold, and that would be
17 multiplied if a whole lot of farmers suddenly
18 are thrown into bankruptcy because the animals
19 would bring no price and it would depress that
20 market further, and as far as the other assets
21 of the farm, the machinery, that asset is just
22 about gone anyway because farmers have not
23 been able to buy machinery for a number of
24 years and they have pretty well depreciated
25 all of the value that was in that machinery

1 that they already owned, and if you think I am
2 drawing a picture that is ridiculous, I
3 suggest that you talk to the banking
4 communities in the rural counties, in these 40
5 counties to which I refer.

6 There are literally that many
7 and, in fact, more distressed farmers out
8 there who are eating away their own assets.
9 Year by year they are taking the fixed assets
10 that they have in their property and in their
11 animals and are gradually eroding away at the
12 very assets that they own in order to stay in
13 business and provide milk for the rest of the
14 people in this state and at some point the
15 banking institutions are going to be forced to
16 move against these farmers who are not being
17 able to keep up with their payments and we are
18 going to see thrown into the economy of this
19 state a large, large number of very, very
20 distressed bankruptcies where people were
21 getting back pennies and dimes on the dollars
22 that are owed to them by people in
23 agriculture.

24 How much less is it going to
25 cost us as a state to have a dairy compact

1 where we may provide that small margin by
2 which this essential element of the economy of
3 these 40 counties in upstate New York can
4 continue to be what they have been and to
5 provide, yes, a bridge, because it does not
6 last forever, but to provide a bridge so that
7 the strength which has been the state of New
8 York, with all its diversity, with its great
9 urban centers, but also its great
10 agricultural/rural areas, so that that
11 diversity continues strong into the future.

12 I think it's imperative on us,
13 all of us who love this state, to take that
14 approach with this issue.

15 ACTING PRESIDENT MAZIARZ:

16 Thank you, Senator Cook.

17 Senator Farley.

18 SENATOR FARLEY: Thank you, Mr.
19 President.

20 I'll be brief, but Senator
21 Marchi, the conscience of the Senate, 46 years
22 in the Senate, boy, you said it all, and I'll
23 tell you, the last hard-working people in our
24 society is the farmer.

25 You know, if this state, if

1 this Legislature has been the most socially
2 conscious Legislature and state in the nation,
3 I'll tell you very sincerely, the New York
4 State dairy farmer desperately needs help, and
5 if I have an admiration for many of you on the
6 other side of the aisle, it's because of your
7 consciousness for the poor, for the needy and
8 I'll tell you, this is a case that really
9 needs your vote.

10 You know, let me say something
11 else. For those of you that might be
12 concerned that school children or the poor or
13 women and children may not get milk or be -
14 if we can't do something about that if that
15 comes about, we can't do anything, and I'll
16 tell you what. The Northeast Dairy Compact
17 has been a success and, Senator Kuhl, I don't
18 see a rise -- the price of milk rising. I see
19 the supply being stable. We are not a state
20 of corporate dairy farms. They are small
21 family dairy farms almost exclusively.

22 Senator Wright said it all and,
23 you know, I think if there's any issue that's
24 come before this house where you should vote
25 your conscience and do what is right

1 regardless of how you feel about the New York
2 Times editorial or whatever it might be, it's
3 to vote on behalf of these dairy farmers.

4 Let me just say this in
5 closing. This is a bill that is desperately
6 needed. There's nothing that can be said
7 about this compact that is going to hurt
8 anyone except to save an industry, and we
9 really need to get out and support this bill,
10 and I ask for everybody to stand up and be
11 counted in the affirmative on this one.

12 We have supported you and I go
13 back, Senator Marchi, when New York City was
14 in trouble and Senator Anderson in this house
15 stood tall on that issue. Well, I'll tell
16 you, a great number of people in this state
17 are suffering and they are on the verge of
18 disaster, and this is the only answer that I
19 see that may help them through this terrible
20 -- these terrible times, and I urge you to
21 vote yes.

22 ACTING PRESIDENT MAZIARZ:

23 Thank you, Senator Farley.

24 The Chair recognizes Senator
25 Meier.

1 SENATOR MEIER: Thank you, Mr.
2 President.

3 I say this with love and
4 affection for my colleague, Senator
5 Dollinger. Ordinarily I would be chagrined
6 for being lectured about how the free market
7 works, particularly a conservative
8 Republican.

9 The only problem, Senator, is
10 there isn't a free market in milk and there
11 hasn't been one in this country in the memory
12 of anyone in this chamber. So while we're
13 talking about honoring great Republican
14 principles, let me pose another one from the
15 greatest Republican of this century, Ronald
16 Reagan: Never, never unilaterally disarm.

17 Now, just let me say this
18 quickly because that's the way Senator
19 Nozzolio said the farmers who I represent
20 talk. Even more specifically, those farmers
21 believe that something is much better well
22 done than well said. The farmers who I
23 represent look at it this way. They have
24 already made a compact with the rest of us in
25 this state. Roughly one percent of the people

1 who live in this state feed the rest of us and
2 to get that done they rise before dawn. They
3 work until after sunset. They work in all
4 kinds of unimaginable weather and they don't
5 know such a thing as a vacation or a holiday.
6 They get the job done and they need us and
7 they nourish our families and in exchange for
8 that, for our end of the compact, all the rest
9 of us, they ask not that they receive wealth
10 from their labor but a living. They ask for a
11 fair and reasonable price. They ask that we
12 honor their labor with dignity. They ask that
13 we live up to our end of the compact they've
14 made with us to sustain life in this state,
15 and I would just make one final point.
16 Regardless of whether you have one farmer,
17 regardless of whether you have one or no dairy
18 cows in your district, each and every one of
19 us represent people who from time to time like
20 to eat.

21 Thank you, Mr. President.

22 ACTING PRESIDENT MAZIARZ:

23 Thank you, Senator Meier.

24 The Chair recognizes Senator
25 Libous.

1 SENATOR LIBOUS: Thank you, Mr.
2 President.

3 I too rise to support Senator
4 Kuhl's efforts in passing this legislation
5 today and, Mr. President, I, like many of my
6 colleagues, have had the honor and privilege
7 of visiting a number of the dairy farms in my
8 district and I know that a number of those
9 folks have visited today and talked to me
10 about their concern and the importance of this
11 compact.

12 I have pushed for this and
13 discussed this legislation for a number of
14 years and as I've said before, it becomes a
15 very, very difficult position for me because I
16 believe it's the right thing to do but at the
17 same time I have a major milk company in my
18 district who has some concern about this
19 legislation, who employs people, who is a good
20 business, pays their taxes, does a number of
21 very positive things for our community but at
22 the same time I have to look beyond that. I
23 have to look at what's needed for not only my
24 constituents and the constituents of this
25 state but what we need to do to help our dairy

1 farmers.

2 So as my colleagues have said,
3 if we do not pass this legislation today, what
4 will happen is for those of you who are
5 concerned about the increased cost of milk, if
6 you do nothing, you will see increases because
7 you will see large companies from out west and
8 others moving their product in at a very high
9 expense to New York State.

10 What I would like to do, Mr.
11 President, is just mention a couple of things
12 in closing in stating how strongly I support
13 this. To my colleagues today who might be
14 considering voting against this, I just want
15 to share something with you. Several months
16 ago we had a disaster in the North Country of
17 New York State and during that disaster men,
18 women and children from all over this state,
19 from Long Island, from New York City, from
20 upstate communities, from the Southern Tier
21 immediately asked, What can we do to help in
22 this devastation? How can we help our friends
23 and neighbors, our colleagues, our citizens of
24 New York State and nobody worried about how
25 much it was going to cost. They came up in

1 bus loads from the City, from the Island, from
2 Westchester County, from all over the state
3 because they knew that they had friends, New
4 Yorkers in need.

5 My friends, I just want to
6 share with you, we have New York farmers who
7 are in need today, and I ask that you share
8 with us as your constituents did when the
9 people of the North Country had a need and
10 they didn't ask why or how much. They just
11 showed up. They helped. They sent food.
12 They spent their time. They spent their
13 money.

14 The dairy farming industry of
15 this state is in desperate need of this
16 legislation. I ask you to join with us who
17 support it, consider it as my colleagues have
18 talked about the issues and ask you to join as
19 your constituents did when they aided other
20 New Yorkers who were in need.

21 ACTING PRESIDENT MAZIARZ:

22 Thank you, Senator Libous.

23 Senator Gentile.

24 SENATOR GENTILE: Mr.

25 President, I believe there is an amendment at

1 the desk.

2 ACTING PRESIDENT MAZIARZ: The
3 amendment is at the desk, yes.

4 SENATOR GENTILE: I would ask
5 that you waive the reading and allow me to
6 explain it.

7 ACTING PRESIDENT MAZIARZ:
8 Senator Gentile.

9 SENATOR GENTILE: Thank you,
10 Mr. President.

11 First of all, let me also say
12 that I admire the concerns of my colleagues
13 from both sides of the aisle as to the
14 concerns and problems that are faced by the
15 milk producers, and certainly I too share in
16 that concern. Indeed, in times other than
17 today I have supported legislation that has
18 helped our agricultural community.

19 However, on this compact and
20 this amendment that I am now putting before
21 you, I have a concern as the ranking Minority
22 member on consumer protection that there are
23 certain groups that will be impacted and have
24 not gotten the full hearing in this chamber
25 should this compact become law, and this

1 amendment seeks to address those groups and
2 seeks to exempt those groups from this compact
3 should this compact pass and become law, and
4 these groups would be exempt primarily because
5 of the age or the nature of the people they
6 serve. Those types of people or groups that
7 would be most hard hit with milk price
8 increases as a result of our action here
9 today, and that hardship would be felt most
10 significantly by low income families, by
11 senior citizens, by school lunch programs and
12 by programs that serve children. Those types
13 of programs and those types of constituents
14 that we all have in every part of this state,
15 every one of our constituents, we can count
16 and point to those programs and those types of
17 people in our districts.

18 So what this amendment seeks to
19 do is to identify essential programs and
20 exempt those programs from the -- from this
21 compact and specifically the programs that are
22 listed in this amendment are day care
23 programs. In addition to the traditional
24 preschool age programs, we also have listed
25 day care programs that serve children under

1 the age of 14 whether that program be before
2 or after the school day, because of the age
3 group and the type of programs, milk is served
4 to that age group on a daily basis and the
5 cost to those day care programs, should this
6 compact become law, will increase
7 significantly.

8 We also list in the amendment
9 public school districts who purchase milk for
10 school lunch programs as we all know. In New
11 York City alone, there are a million school
12 students in the city of New York. The city of
13 New York estimates that the school system -
14 it would cost the school system \$2.9 million
15 more per year for the school milk program
16 should this compact pass.

17 Also, I list non-profit private
18 schools for the same reasons and for the same
19 cost impact it will have on milk prices.

20 Overnight camps for serving
21 children, they too would be affected by the
22 increased cost of milk in this state and, of
23 course, the senior citizen centers. All of us
24 have them in our district and most of them
25 more times than not are operating on a

1 shoestring budget. I've seen this over and
2 over again.

3 In New York City alone, we have
4 335 senior centers throughout the City and
5 additionally we have many, many more Meals on
6 Wheels programs all that purchase milk, that
7 use milk on a regular, consistent daily
8 basis. Those types of centers and those
9 individuals will be impacted severely by the
10 -- this compact. New York City alone has
11 200,000 elderly people 65 years or older below
12 the poverty line and we have 100,000 more that
13 are at or near that poverty line.

14 So this is a fairness issue for
15 those particular groups where even a small
16 change in the price of milk will have an
17 adverse impact, whether it be a young group, a
18 senior citizen group or a group that serves
19 children, teenagers. Those types of increases
20 will have an adverse impact in this state on
21 those constituencies.

22 So to be fair and I ask and
23 Senator Farley, I think mentioned that maybe
24 we could do something for these people. Yes,
25 we can do something for these people and it's

1 listed right here in this amendment.

2 So to be fair, if this compact
3 passes, we need to consider these groups and
4 to consider them in part of this by amending
5 this compact, by passing this amendment.

6 So I urge my colleagues on both
7 sides whether pro -- whether they've spoken on
8 either side of this issue, that this amendment
9 should be considered passed as part of this
10 bill.

11 ACTING PRESIDENT MAZIARZ:
12 Senator Kuhl, on the amendment.

13 SENATOR KUHL: Yes, Mr.
14 President. If I might be heard for just a
15 moment on the amendment. It's -- Senator
16 Gentile, I don't think as complex an issue as
17 this is, I don't think that you fully
18 understand the nature of your amendment, what
19 it does.

20 There is a provision in any
21 kind of a compact adoption that the language
22 adopted by each state be exactly the same and
23 identical. What you're proposing to do is to
24 change the language under the federal
25 provisions of the compact that would alter and

1 make it impossible for New York to join the
2 compact. So what you're essentially doing is
3 not -- while you may be voicing and addressing
4 the concerns of some groups for some political
5 purposes, you're essentially undermining the
6 entire process of adopting the compact. So it
7 would be totally impossible for us to accept
8 your amendment. I believe it's certainly
9 defeating the purpose of what the compact is
10 doing.

11 There's another thing that's
12 obvious that you neglected in your research
13 and that is there are provisions under the
14 current compact arrangement for specific
15 concerns to be addressed and you mentioned
16 specifically school districts being charged
17 additional funds. Well, that's absolutely
18 incorrect. School districts, any increased
19 price, they're being held harmless under the
20 provisions that have been adopted by the six
21 states who have entered into this contract.
22 So the information that you got from the city
23 of New York's memorandum in opposition is
24 absolutely incorrect, and I don't understand
25 why that's even in the memorandum because we,

1 myself and my staff had addressed that issue
2 with the mayor and his staff. So they're
3 putting something that I think they knowingly
4 know is incorrect in that memorandum, but in
5 any case, your amendment would just totally
6 undermine the whole process that we've gone
7 through and we attempt to deliver here today.

8 SENATOR GENTILE: Mr.
9 President.

10 ACTING PRESIDENT MAZIARZ:
11 Senator Gentile.

12 SENATOR GENTILE: Yes. Thank
13 you, Mr. President.

14 Through you, Mr. President.

15 ACTING PRESIDENT MAZIARZ: On
16 the amendment.

17 SENATOR GENTILE: Through you.
18 Senator, you might be correct in discussing
19 the ramifications of a multi-state compact,
20 but I'm actually just following the provisions
21 of the bill that you submitted before the -
22 this house today and particularly Section 23
23 of your bill which indicates that the right to
24 alter, amend or repeal this compact is
25 expressly reserved. I presume that to mean

1 that we can alter, amend or repeal this
2 contract in this body and if that's not the
3 case, Senator, then I would think that what we
4 need to do is revise the original bill.

5 ACTING PRESIDENT MAZIARZ:

6 Senator Dollinger on the amendment. I would
7 just like to remind -- I would just like to
8 remind all members that the two-hour time
9 limit elapsed at 5:30. I don't know why you
10 speaking brings that to mind, Senator
11 Dollinger, but certainly we will recognize
12 you.

13 Senator Dollinger.

14 SENATOR DOLLINGER: Very good,
15 Senator Maziarz, very good. I just want to
16 underline a point that Senator Gentile made
17 that really -- to somewhat disagree with the
18 sponsor of this legislation.

19 As I read it, New York State,
20 if it joins this compact, will be the big
21 gorilla in the compact. We have 70 percent of
22 the milk production. We're playing with
23 Vermont which has one-fourth, less than
24 one-quarter of what we've got, Maine which has
25 less than ten percent, down to Rhode Island

1 which has one-hundredth percent the production
2 that we do. Why shouldn't we take Senator
3 Gentile's guide and have New York City set the
4 policy for the compact because we think that's
5 the right thing for the compact to do?

6 I would suggest that we're
7 joining a compact with a bunch of small states
8 that we may not agree with but we have the
9 muscle. It's New York State that gives this
10 compact the power because we've got the
11 production, and I would suggest to you that
12 for New York State to relinquish to Maine,
13 Vermont, Connecticut, Massachusetts, New
14 Hampshire and Rhode Island, what is the best
15 public policy if we go with the compact is a
16 serious, serious relinquishing of the power of
17 the body in this state, which is going to be
18 the big player in this compact. We ought to
19 set that policy. Senator Gentile's amendment
20 sets that policy and sets it in the right
21 direction.

22 ACTING PRESIDENT MAZIARZ:

23 Senator Paterson.

24 SENATOR PATERSON: Thank you,
25 Mr. President.

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ACTING PRESIDENT MAZIARZ:

Senator Paterson, on the amendment.

SENATOR PATERSON: On the amendment, Mr. President. I want to speak in favor of Senator Gentile's amendment. He has outlined some specific programs that relate to child care, that relate to senior citizen care, that relate to specialized programs that would be unduly affected by the passage of this legislation and even though we have heard that the prices would not go up substantially and some say they don't know whether the prices would go up at all, we know that when the compact first was entered into, that in areas of New England, the prices went up 20 cents immediately. Now, they may have come down and that was fairly stated that the prices came down and I accept that, but the original increase as it affects these kinds of programs can have almost an immediate effect as to whether or not these programs even decide that they can stay in business. They treat children. They make it possible for their parents to work. They make it possible for parents to work during the summer with

1 summer camps, private schools. Sometimes just
2 the slightest change will make the difference.

3 Now, I'm not going to tell you
4 that if the price is four cents higher per
5 gallon of milk that maybe it's a \$4 amount per
6 year, that that's going to make the difference
7 in the survival of a day care center, for
8 instance, but it's these types of endeavors
9 that when compacted create that kind of end
10 and what we're really saying by introducing
11 this amendment, what we're really saying is
12 that this would be the fairest way to deal
13 with those who are the least able to fight the
14 increase in prices.

15 If we are actually saying that
16 we care about the day care centers and we want
17 to give them an incentive, there was a
18 suggestion that we could perform legislation
19 for that. I don't know any time that we ever
20 have created that kind of legislation for
21 that. In fact, over the past few years, we
22 have cut those aids to these social service
23 programs. So the time to address it would be
24 absolutely now.

25 We do not do this in a sense of

1 trying to undercut the actual bill or in any
2 way to hurt farmers who we have heard
3 articulated today very well by a number of
4 Senators are suffering as well. This is just
5 a way not to try to diminish the suffering for
6 one group on the backs of the other. Here we
7 can accomplish both by what Senator Gentile
8 has introduced and what I'm simply saying by
9 adding to it is that if we have a bill that
10 exactly complies with the federal legislation
11 and that there's a risk in passing this as
12 part of it, we should take note that the other
13 six states in the compact also have passed
14 pieces of legislation that are not strictly in
15 compliance or do not exactly replicate the
16 federal standard and they are still in the
17 compact right now.

18 So I think that this would be a
19 way for New York State not only to join the
20 compact but join it in a way that would
21 demonstrate a real understanding of those who
22 are in disadvantaged areas, which is really
23 what I understood from the sponsor is the real
24 scope and the real credo of the bill in the
25 first place, to try to help those, who

1 unfortunately due to market conditions, are
2 suffering and that being the farmers of the
3 state of New York, and so we really think we
4 would be helping both by adding to this
5 legislation Senator Gentile's well thought
6 amendment.

7 ACTING PRESIDENT MAZIARZ:
8 Senator Stafford, on the amendment.

9 SENATOR STAFFORD: Mr.
10 President, I say this with all respect and
11 affection and concern for all who are talking
12 about let the marketplace make the decision in
13 the milk area. We can do this by changing the
14 compact. We can do that. We can bully our
15 way in already where they already have a
16 compact and have the advantage.

17 My friends, John Marchi
18 remembers when Bob McEwen used to argue the
19 milk bills here in the Senate back in the '50s
20 and it was the same debate and those of you
21 who don't really understand the milk orders
22 and really the intricacies of what government
23 and the involvement the past 30, 40, 50 years
24 as I don't, you make about as much sense as
25 forming an underground balloon corps. Now,

1 for those who don't understand that, that
2 means it would be hard to have balloons
3 underground.

4 My friends, whether we like it
5 or not, the state and federal government has
6 been involved in the milk industry for many,
7 many reasons and very candidly the milk
8 industry would not be able to function in
9 today's world if there was not that
10 involvement, and it's late so I will conclude
11 and I will explain to you that if we don't
12 have some changes that this compact will bring
13 about and have our farmers not producing under
14 cost as they have for the past 18 to 24 months
15 and also receiving what they receive in 1978
16 and 1980 for milk, corporate America will take
17 over and, my friends, you will be paying
18 dearly.

19 I say that because there has
20 been various points made, and I would suggest
21 some of the material that's appeared -- and
22 that this does not refer to anyone here in
23 this room -- that it would appear to me that
24 those who made this material available thinks
25 that dairy products, meat products and produce

1 come from the back room of our grocery stores
2 and for those that don't know, they don't.
3 They come off the backs of our dairy farmers
4 and others who produce in the agricultural
5 industry.

6 I make this statement and I
7 make it as succinctly and clearly and directly
8 as I can. We're where we are after the last
9 30 to 50 years, whether that's right or wrong,
10 there is an involvement of the federal and
11 state government and unless we make this
12 change, you aren't going to have the farmers
13 in New York and then we will be paying and
14 paying dearly.

15 This is needed. It's necessary
16 and I certainly urge its adoption.

17 ACTING PRESIDENT MAZIARZ: On
18 the amendment offered by Senator Gentile, all
19 those in favor of the amendment signify by
20 saying aye.

21 (Response of "Aye".)

22 Those opposed, nay.

23 (Response of "Nay".)

24 SENATOR CONNOR: Slow roll
25 call.

1 ACTING PRESIDENT MAZIARZ: A
2 slow roll call -- I'm sorry, Senator Connor.
3 You're requesting a slow roll call on the
4 amendment?

5 SENATOR CONNOR: Please.

6 ACTING PRESIDENT MAZIARZ: On
7 the amendment, a vote of yes is a vote in
8 favor of Senator Gentile's amendment. A vote
9 of no is a vote opposed to Senator Gentile's
10 amendment.

11 The Secretary will call the
12 roll slowly on the amendment.

13 THE SECRETARY: Senator Abate.

14 (There was no response.)

15 Senator Alesi.

16 SENATOR ALESI: No.

17 THE SECRETARY: Senator

18 Balboni.

19 SENATOR BALBONI: No.

20 THE SECRETARY: Senator

21 Breslin.

22 (There was no response.)

23 Senator Bruno.

24 (Negative indication.)

25 Senator Connor.

1 SENATOR CONNOR: Aye.
2 THE SECRETARY: Senator Cook.
3 SENATOR COOK: No.
4 THE SECRETARY: Senator
5 DeFrancisco.
6 SENATOR DeFRANCISCO: No.
7 THE SECRETARY: Senator
8 Dollinger.
9 SENATOR DOLLINGER: Yes.
10 THE SECRETARY: Senator Farley.
11 SENATOR FARLEY: No.
12 THE SECRETARY: Senator
13 Gentile.
14 SENATOR GENTILE: Yes.
15 THE SECRETARY: Senator Gold.
16 (There was no response.)
17 Senator Gonzalez.
18 SENATOR GONZALEZ: Yes.
19 THE SECRETARY: Senator
20 Goodman.
21 (There was no response.)
22 Senator Hannon. Senator
23 Hannon.
24 (Negative indication.)
25 Senator Hoffmann.

1 (There was no response.)
2 Senator Holland.
3 SENATOR HOLLAND: No.
4 THE SECRETARY: Senator
5 Johnson.
6 SENATOR JOHNSON: Nay.
7 THE SECRETARY: Senator Kruger.
8 SENATOR KRUGER: Yes.
9 THE SECRETARY: Senator Kuhl.
10 SENATOR KUHL: No.
11 THE SECRETARY: Senator
12 Lachman.
13 SENATOR LACHMAN: Yes.
14 THE SECRETARY: Senator Lack.
15 SENATOR LACK: No.
16 THE SECRETARY: Senator Larkin.
17 SENATOR LARKIN: No.
18 THE SECRETARY: Senator
19 LaValle.
20 (There was no response.)
21 Senator Leibell.
22 SENATOR LEIBELL: No.
23 THE SECRETARY: Senator
24 Leichter.
25 (There was no response.)

1 Senator Libous.
2 SENATOR LIBOUS: No.
3 THE SECRETARY: Senator
4 Maltese.
5 SENATOR MALTESE: No.
6 THE SECRETARY: Senator
7 Marcellino.
8 SENATOR MARCELLINO: No.
9 THE SECRETARY: Senator Marchi.
10 SENATOR MARCHI: No.
11 THE SECRETARY: Senator
12 Markowitz.
13 SENATOR MARKOWITZ: Yes.
14 THE SECRETARY: Senator
15 Maziarz.
16 SENATOR MAZIARZ: No.
17 THE SECRETARY: Senator Meier.
18 SENATOR MEIER: No.
19 THE SECRETARY: Senator Mendez.
20 SENATOR MENDEZ: Yes.
21 THE SECRETARY: Senator
22 Montgomery.
23 SENATOR MONTGOMERY: Yes.
24 THE SECRETARY: Senator Nanula.
25 SENATOR NANULA: Yes.

1 THE SECRETARY: Senator
2 Nozzolio.
3 SENATOR NOZZOLIO: No.
4 THE SECRETARY: Senator
5 Onorato.
6 SENATOR ONORATO: Yes.
7 THE SECRETARY: Senator
8 Oppenheimer, excused.
9 Senator Padavan.
10 SENATOR PADAVAN: No.
11 THE SECRETARY: Senator
12 Paterson.
13 SENATOR PATERSON: Yes.
14 THE SECRETARY: Senator
15 Present.
16 SENATOR PRESENT: No.
17 THE SECRETARY: Senator Rath.
18 (There was no response.)
19 Senator Rosado, excused.
20 Senator Saland.
21 SENATOR SALAND: No.
22 THE SECRETARY: Senator
23 Sampson.
24 SENATOR SAMPSON: Yes.
25 THE SECRETARY: Senator

1 Santiago.
2 (There was no response.)
3 Senator Seabrook.
4 (There was no response.)
5 Senator Seward.
6 SENATOR SEWARD: No.
7 THE SECRETARY: Senator Skelos.
8 SENATOR SKELOS: No.
9 THE SECRETARY: Senator Smith.
10 SENATOR SMITH: Yes.
11 THE SECRETARY: Senator Spano.
12 SENATOR SPANO: No.
13 THE SECRETARY: Senator
14 Stachowski.
15 SENATOR STACHOWSKI: Yes.
16 THE SECRETARY: Senator
17 Stafford.
18 SENATOR STAFFORD: No.
19 THE SECRETARY: Senator
20 Stavisky.
21 SENATOR STAVISKY: Aye.
22 THE SECRETARY: Senator Trunzo.
23 SENATOR TRUNZO: No.
24 THE SECRETARY: Senator
25 Velella.

1 SENATOR VELELLA: No.
2 THE SECRETARY: Senator Volker.
3 SENATOR VOLKER: No.
4 THE SECRETARY: Senator Waldon.
5 SENATOR WALDON: I'll vote for
6 it.
7 THE SECRETARY: Senator
8 Wright.
9 SENATOR WRIGHT: No.
10 ACTING PRESIDENT MAZIARZ: The
11 Secretary will call the absentees.
12 THE SECRETARY: Senator Abate.
13 (There was no response.)
14 Senator Breslin.
15 SENATOR BRESLIN: Yes.
16 THE SECRETARY: Senator Gold.
17 (There was no response.)
18 Senator Goodman.
19 (There was no response.)
20 Senator Hoffmann.
21 SENATOR HOFFMANN: Explain my
22 vote. It's my understanding -
23 ACTING PRESIDENT MAZIARZ:
24 Senator Hoffmann, to explain her vote.
25 SENATOR HOFFMANN: It's my

1 understanding that the compact has to pass an
2 identical language as previously passed for
3 the six New England states. I support the
4 general tenets of the amendment and I applaud
5 my colleagues for expressing an appropriate
6 concern for groups that could conceivably be
7 affected adversely even to a modest extent,
8 and I would be happy to work with them in
9 other areas following the implementation of
10 the compact in New York State, but because of
11 the technical limitations of the compact as
12 drafted, I would have to vote in the
13 negative.

14 THE SECRETARY: Senator
15 LaValle.

16 (There was no response.)

17 Senator Leichter.

18 (There was no response.)

19 Senator Rath.

20 (There was no response.)

21 Senator Santiago.

22 (There was no response.)

23 Senator Seabrook.

24 (There was no response.)

25 ACTING PRESIDENT MAZIARZ:

1 Announce the results.

2 THE SECRETARY: Ayes 18, nays
3 32.

4 ACTING PRESIDENT MAZIARZ: The
5 amendment is defeated.

6 Read the last section.

7 THE SECRETARY: Section 2.
8 This act shall take effect immediately.

9 ACTING PRESIDENT MAZIARZ: Call
10 the roll.

11 SENATOR PATERSON: Slow roll
12 call, please.

13 ACTING PRESIDENT MAZIARZ:
14 Senator Paterson. Senator Paterson.

15 SENATOR PATERSON: Mr.
16 President, I would like a slow roll call.

17 ACTING PRESIDENT MAZIARZ:
18 Senator Paterson.

19 SENATOR KUHL: Mr. President.

20 ACTING PRESIDENT MAZIARZ:
21 Senator Kuhl.

22 SENATOR KUHL: Would you call a
23 slow roll call commencing with Senator Saland
24 and then Senator Lack and start in regular
25 alphabetical order, please.

1 ACTING PRESIDENT MAZIARZ: Slow
2 roll call.
3 The Secretary will read.
4 THE SECRETARY: Senator Saland.
5 SENATOR SALAND: Aye.
6 THE SECRETARY: Senator Lack.
7 SENATOR LACK: Aye.
8 SENATOR KUHL: Would you also
9 call Senator Marchi.
10 ACTING PRESIDENT MAZIARZ:
11 Senator Kuhl.
12 SENATOR KUHL: Senator Marchi's
13 name, please.
14 ACTING PRESIDENT MAZIARZ: The
15 Secretary will read. On the bill.
16 THE SECRETARY: Senator Marchi.
17 SENATOR MARCHI: Aye.
18 SENATOR KUHL: Regular order.
19 ACTING PRESIDENT MAZIARZ: The
20 Secretary will read the regular roll call
21 order on the bill.
22 THE SECRETARY: Senator Abate.
23 (There was no response.)
24 Senator Alesi.
25 SENATOR ALESI: Yes.

1 THE SECRETARY: Senator
2 Balboni.
3 SENATOR BALBONI: No.
4 THE SECRETARY: Senator
5 Breslin.
6 (There was no response.)
7 Senator Bruno.
8 (Affirmative indication.)
9 Senator Connor.
10 SENATOR CONNOR: No.
11 THE SECRETARY: Senator Cook.
12 SENATOR COOK: Yes.
13 THE SECRETARY: Senator
14 DeFrancisco.
15 SENATOR DeFRANCISCO: Yes.
16 THE SECRETARY: Senator
17 Dollinger.
18 SENATOR DOLLINGER: Explain my
19 vote, Mr. President, just briefly.
20 ACTING PRESIDENT MAZIARZ:
21 Senator Dollinger, to briefly explain his
22 vote.
23 SENATOR DOLLINGER: I couldn't
24 help but follow up the comments made by
25 Senator Stafford. I find it inconceivable

1 that someone would say the problem with the
2 milk industry has been overregulated by
3 government and do you know what our solution
4 today is? To regulate it some more.

5 I would love to have what
6 Senator Kuhl would like for the dairy farmers,
7 a fair price for milk. I would like to have a
8 fair price for film, a fair price for optical
9 products, a fair price for copiers and a fair
10 price for machine tool products. All of those
11 would be enormously valuable to the people in
12 my community. I'm not going to come to this
13 government and ask this government to give it
14 to them.

15 I vote no.

16 THE SECRETARY: Senator Farley.

17 SENATOR FARLEY: Aye.

18 THE SECRETARY: Senator

19 Gentile.

20 SENATOR GENTILE: No.

21 THE SECRETARY: Senator Gold.

22 (There was no response.)

23 Senator Gonzalez.

24 SENATOR GONZALEZ: No.

25 THE SECRETARY: Senator

1 Goodman.
2 (There was no response.)
3 Senator Hannon.
4 SENATOR HANNON: Yes.
5 THE SECRETARY: Senator
6 Hoffmann.
7 SENATOR HOFFMANN: Yes.
8 THE SECRETARY: Senator
9 Holland.
10 SENATOR HOLLAND: Yes.
11 THE SECRETARY: Senator
12 Johnson.
13 (There was no verbal response.)
14 Senator Kruger.
15 SENATOR KRUGER: No.
16 THE SECRETARY: Senator Kuhl.
17 (Affirmative indication.)
18 Senator Lachman.
19 SENATOR LACHMAN: No.
20 THE SECRETARY: Senator Lack
21 voting in the affirmative earlier.
22 Senator Larkin.
23 SENATOR LARKIN: Yes.
24 THE SECRETARY: Senator LaValle
25 voting in the affirmative earlier.

1 Senator Leibell.
2 SENATOR LEIBELL: Aye.
3 THE SECRETARY: Senator
4 Leichter voting in the negative earlier today.
5 Senator Libous.
6 SENATOR LIBOUS: Aye.
7 THE SECRETARY: Senator
8 Maltese.
9 SENATOR MALTESE: Aye.
10 THE SECRETARY: Senator
11 Marcellino.
12 SENATOR MARCELLINO: Aye.
13 THE SECRETARY: Senator Marchi
14 voting in the affirmative earlier.
15 Senator Markowitz.
16 (There was no response.)
17 Senator Maziarz.
18 SENATOR MAZIARZ: Yes.
19 THE SECRETARY: Senator Meier.
20 SENATOR MEIER: Yes.
21 THE SECRETARY: Senator Mendez.
22 SENATOR MENDEZ: No.
23 THE SECRETARY: Senator
24 Montgomery.
25 (There was no response.)

1 THE SECRETARY: Senator Nanula.

2 SENATOR NANULA: To explain my
3 vote.

4 ACTING PRESIDENT MAZIARZ:
5 Senator Nanula, to explain his vote.

6 SENATOR NANULA: In regard to
7 this issue -- and for the record, I'm not a
8 farmer. I don't think I have one farm or one
9 farm family in my district, but I do have a
10 little familiarity with the supermarket
11 business, and although I won't debate the pros
12 and cons of the bill, I would like to set one
13 issue straight for the record.

14 There have been a couple of
15 statements made, I won't repeat them in
16 detail, but they certainly alluded to the
17 premise that supermarket companies were making
18 windfall profits on the sale of milk.

19 I know from personal history
20 and experience with this issue that that is
21 absolutely not the case. Milk is what's
22 called a loss leader in the supermarket
23 business. It's a product that is priced by
24 supermarkets in a very competitive fashion to
25 draw customers into the store so they buy

1 other products when they're there and to say
2 that one supermarket chain or a family that
3 owns a supermarket chain is making so much
4 profit from their milk section that they're
5 going to be able to finance the construction
6 and operation of a store profitably is at best
7 an erroneous statement.

8 Again, I won't discuss or
9 debate the other merits of this bill. I
10 wanted to go on record and say that that
11 aspect of the debate that I've heard, in my
12 estimation and based upon my experience, is
13 completely wrong, and I also on the bill want
14 to vote no.

15 Thank you, Mr. President.

16 ACTING PRESIDENT MAZIARZ:
17 Senator Nanula will be recorded in the
18 negative.

19 The Secretary will read.

20 THE SECRETARY: Senator
21 Nozzolio.

22 SENATOR NOZZOLIO: Aye.

23 THE SECRETARY: Senator
24 Onorato.

25 SENATOR ONORATO: No.

1 THE SECRETARY: Senator
2 Oppenheimer, excused.
3 Senator Padavan.
4 SENATOR PADAVAN: Aye.
5 THE SECRETARY: Senator
6 Paterson.
7 SENATOR PATERSON: No.
8 THE SECRETARY: Senator
9 Present.
10 SENATOR PRESENT: Aye.
11 THE SECRETARY: Senator Rath
12 voting in the affirmative earlier.
13 Senator Rosado, excused.
14 Senator Saland voting in the
15 affirmative earlier today.
16 Senator Sampson.
17 (There was no response.)
18 Senator Santiago.
19 (There was no response.)
20 Senator Seabrook.
21 (There was no response.)
22 Senator Seward.
23 SENATOR SEWARD: Mr. President,
24 to briefly explain my vote.
25 ACTING PRESIDENT MAZIARZ:

1 Senator Seward, to explain his vote.

2 SENATOR SEWARD: Yes, Mr.

3 President.

4 This is a proud day for the
5 Senate, historic day for this house because
6 with this legislation before us, we are
7 appropriately responding to what I would call
8 a serious, serious crisis on the farm. It's a
9 crisis that comes from the fact that our
10 farmers are paying 1998 prices for their -
11 for the cost of production but they're being
12 paid 1980 prices for their product. You don't
13 have to be a rocket scientist to realize that
14 there's a serious financial squeeze on the
15 farm and as I've talked to farmers throughout
16 my district, I have never heard such distress
17 in their voices as they talk to me about this
18 financial crunch that they are facing and the
19 result has been some 500 farms lost throughout
20 1997 alone. Not only the loss of a business,
21 a loss when you lose a farm, it's a way of
22 life. Very often the home of the farmer and
23 his family is lost as well. A serious
24 crisis.

25 So we're talking today with

1 this legislation about taking a step toward
2 preserving the family farm. It's important to
3 the economy of this state. It's important to
4 our environment because our farmers who work
5 the land are tremendous environmentalists.

6 We have experience with the
7 Northeast Dairy Compact over in the new
8 England states. The experience tells us that
9 with the compact -- with New York joining the
10 compact, we will have a fair price paid to our
11 farmers here in New York. There will be a
12 stable supply of milk for our people and there
13 will not be an appreciable impact on consumer
14 prices. That's the experience of New
15 England. That can be our experience here in
16 New York as well.

17 So with that, Mr. President,
18 I'm very proud to stand up for my farmers and
19 the consumers of my district and vote aye on
20 this legislation.

21 ACTING PRESIDENT MAZIARZ:

22 Senator Seward will be recorded in the
23 affirmative.

24 The Secretary will continue the
25 roll call.

1 THE SECRETARY: Senator Skelos.
2 SENATOR SKELOS: Yes.
3 THE SECRETARY: Senator Smith.
4 (There was no response.)
5 Senator Spano.
6 SENATOR SPANO: Aye.
7 THE SECRETARY: Senator
8 Stachowski.
9 SENATOR STACHOWSKI: Yes.
10 THE SECRETARY: Senator
11 Stafford.
12 SENATOR STAFFORD: Aye.
13 THE SECRETARY: Senator
14 Stavisky.
15 SENATOR STAVISKY: No.
16 THE SECRETARY: Senator Trunzo.
17 SENATOR TRUNZO: Yes.
18 THE SECRETARY: Senator
19 Velella.
20 (There was no response.)
21 Senator Volker.
22 SENATOR VOLKER: Yes.
23 THE SECRETARY: Senator Waldon.
24 SENATOR WALDON: Yes.
25 THE SECRETARY: Senator

1 Wright.

2 ACTING PRESIDENT MAZIARZ:

3 Senator Wright.

4 SENATOR WRIGHT: Thank you.

5 First of all, I want to thank
6 my colleagues for their support this afternoon
7 and secondly in the tradition of the McEwen,
8 Barclay and McHugh seat, I vote aye.

9 ACTING PRESIDENT MAZIARZ:

10 Senator Wright and colleagues will be recorded
11 in the affirmative.

12 The Secretary will call the
13 absentees.

14 THE SECRETARY: Senator Abate.

15 (There was no response.)

16 Senator Breslin.

17 SENATOR BRESLIN: No.

18 THE SECRETARY: Senator Gold.

19 (There was no response.)

20 Senator Goodman.

21 (There was no response.)

22 Senator Markowitz.

23 SENATOR MARKOWITZ: To explain
24 my vote.

25 ACTING PRESIDENT MAZIARZ:

1 Senator Markowitz, to explain his vote.

2 SENATOR MARKOWITZ: How I wish
3 that Brooklyn, New York had a lot of farms,
4 and I want to invite the farmers here. Some
5 of your predecessors decades and decades ago
6 decided to leave beautiful sunny Brooklyn for
7 other parts of the state and the region, and I
8 hope for one that there is land available and
9 I invite the farmers to think about coming
10 back to Brooklyn and to making a contribution
11 to our economy downstate.

12 Having said that, I want the
13 farmers to know that no matter how we vote,
14 Democrat or Republican, all of us, all of us
15 feel very strongly about your contribution in
16 making the state a better place to live. The
17 importance of the dairy industry and the
18 agricultural industry cannot be overstated,
19 and I for one feel and have made friends with
20 many of the farmers that have visited me over
21 the years.

22 This is not the only issue.
23 Many of us support lowering of taxes, property
24 taxes to give the small farmer a greater
25 amount of income. There are many other issues

1 as it relates to insurance, liability, as it
2 relates to employment opportunities, tax
3 credits, assistance for agricultural colleges,
4 there are many different areas that come in
5 front of this Legislature for a vote where we
6 want to demonstrate our assistance, our effort
7 to show you that we are very supportive of
8 small farmers in this state.

9 Having said that, it grieves me
10 that on this legislation, the way it is right
11 now -- the way it is right now, that I don't
12 feel comfortable in supporting it because I'm
13 not convinced, even though I've heard many of
14 the arguments in the chamber and out, that
15 indeed the people that really need the
16 assistance, that small farmer will, indeed, be
17 the ones that totally benefit from this
18 legislation.

19 I for one am not convinced, and
20 I hope as this bill moves forward into the
21 Assembly and then greater discussion or review
22 moves forward, that legislation can come back
23 here, that I would be proud and enthusiastic
24 to support and that would meet the needs of
25 the small farmer and at the same time meet the

1 needs of all of us that care about farming in
2 the state of New York.

3 And so, Mr. President, at this
4 time, on this particular legislation, I have
5 to vote no.

6 ACTING PRESIDENT MAZIARZ:
7 Senator Markowitz recorded in the negative.

8 THE SECRETARY: Senator
9 Montgomery.

10 ACTING PRESIDENT MAZIARZ:
11 Senator Montgomery.

12 SENATOR MONTGOMERY: Yes, Mr.
13 President.

14 I rise to ditto essentially
15 what Senator Markowitz has said in terms of
16 our appreciation and regard for small farmers
17 throughout this state and more particularly as
18 we speak this evening, dairy farmers, but, Mr.
19 President, I have before me two pages of lists
20 of people in my district who would be
21 particularly hurt by the compact as it stands
22 now. Notwithstanding the fact that WIC would
23 be exempt from any price increases, I do
24 understand that since we were not able to pass
25 the amendment which Senator Gentile has put

1 before us in terms of the number of small
2 groups that serve children and the elderly
3 would suffer, some consequences in terms of an
4 increase in pricing, I must say that this
5 compact will particularly hurt the people in
6 my district and, therefore, unfortunately I am
7 going to vote no on the legislation.

8 ACTING PRESIDENT MAZIARZ:
9 Senator Montgomery will be recorded in the
10 negative.

11 The Secretary will resume the
12 roll.

13 THE SECRETARY: Senator
14 Sampson.

15 SENATOR SAMPSON: No.

16 THE SECRETARY: Senator
17 Santiago.

18 (There was no response.)

19 Senator Seabrook.

20 (There was no response.)

21 Senator Smith.

22 ACTING PRESIDENT MAZIARZ:

23 Senator Smith.

24 SENATOR SMITH: Thank you, Mr.
25 President.

1 I too agree with my colleague,
2 Senator Markowitz. I think it is time that we
3 did something to assist the farmers and I do
4 not believe half of what I've heard here today
5 in relation to this bill, and I made a
6 commitment to stick with my colleague, Senator
7 Waldon, and I too vote yes with him.

8 ACTING PRESIDENT MAZIARZ:
9 Senator Smith will be recorded in the
10 affirmative.

11 The Secretary will resume the
12 roll.

13 THE SECRETARY: Senator
14 Velella.

15 (There was no verbal response.)

16 ACTING PRESIDENT MAZIARZ:
17 Announce the results.

18 THE SECRETARY: Ayes 35, nays
19 18.

20 ACTING PRESIDENT MAZIARZ: The
21 bill is passed.

22 (Applause)

23 SENATOR CONNOR: Mr. President,
24 may we have a detailed statement, please.

25 ACTING PRESIDENT MAZIARZ:

1 Senator Connor.

2 SENATOR CONNOR: May we have a
3 detailed statement, please.

4 ACTING PRESIDENT MAZIARZ: The
5 Secretary will read.

6 THE SECRETARY: On Calendar
7 Number 38, those Senators recorded in the
8 affirmative: Senators Alesi, Bruno, Cook,
9 DeFrancisco, Farley, Hannon, Hoffmann,
10 Holland, Johnson, Kuhl, Lack, Larkin, LaValle,
11 Leibell, Libous, Maltese, Marcellino, Marchi,
12 Maziarz, Meier, Nozzolio, Padavan, Present,
13 Rath, Saland, Seward, Skelos, Smith, Spano,
14 Stachowski, Stafford, Trunzo, Volker, Waldon
15 and Wright.

16 Those Senators recorded in the
17 negative: Balboni, Breslin, Connor,
18 Dollinger, Gentile, Gonzalez, Kruger, Lachman,
19 Leichter, Markowitz, Mendez, Montgomery,
20 Nanula, Onorato, Paterson, Sampson, Stavisky
21 and Velella.

22 Those Senators absent: Abate,
23 Gold, Goodman, Santiago, Seabrook.

24 Those Senators excused:
25 Oppenheimer and Rosado.

1 ACTING PRESIDENT MAZIARZ:

2 Senator Kuhl.

3 SENATOR KUHL: Yes, Mr.

4 President. On the controversial calendar,
5 would you call up Calendar Number 154 now,
6 please.

7 ACTING PRESIDENT MAZIARZ: The
8 Secretary will read.

9 THE SECRETARY: Calendar Number
10 154, Senator Skelos, Senate Print 311, an act
11 to amend the General Obligations Law, in
12 relation to exoneration of certain crime
13 victims.

14 ACTING PRESIDENT MAZIARZ: Read
15 the last section.

16 THE SECRETARY: Section 2.
17 This act shall take effect on the first day of
18 November.

19 ACTING PRESIDENT MAZIARZ: Call
20 the roll.

21 (The Secretary called the
22 roll.)

23 ACTING PRESIDENT MAZIARZ:
24 Senator Kuhl.

25 SENATOR KUHL: I believe that

1 completes the con...

2 SENATOR PATERSON: Mr.
3 President, we didn't announce the vote.

4 ACTING PRESIDENT MAZIARZ:
5 Senator Paterson.

6 SENATOR PATERSON: We didn't
7 announce the vote on the last bill, Calendar
8 Number 154.

9 ACTING PRESIDENT MAZIARZ: Call
10 the roll.

11 SENATOR PATERSON: We did that.

12 ACTING PRESIDENT MAZIARZ:
13 Those in the negative, please raise your
14 hand.

15 SENATOR PATERSON: We did
16 that.

17 ACTING PRESIDENT MAZIARZ:
18 Well, we didn't -- the Secretary did not get
19 it all, Senator Paterson.

20 SENATOR PATERSON: That's why I
21 stood up.

22 ACTING PRESIDENT MAZIARZ:
23 Everybody is in a hurry to move.

24 Announce the results.

25 THE SECRETARY: Those recorded

1 in the negative on Calendar Number 154 are
2 Senators Connor, Dollinger and Paterson. Ayes
3 54, nays 3.

4 ACTING PRESIDENT MAZIARZ: The
5 bill is passed.

6 Senator Stavisky.

7 SENATOR STAVISKY: Mr.
8 President, previously we recorded a vote on
9 Calendar 156 and 183. With approval, I should
10 like to be recorded in the negative on both.

11 ACTING PRESIDENT MAZIARZ:
12 Without objection, so ordered.

13 Senator Nanula then.

14 SENATOR NANULA: Thank you, Mr.
15 President.

16 I too would like to be recorded
17 in the negative on Calendar Number 183.

18 ACTING PRESIDENT MAZIARZ:
19 Without objection, so ordered.

20 Senator Lachman.

21 SENATOR LACHMAN: I ask
22 unanimous consent to be recorded in the
23 negative on 183.

24 ACTING PRESIDENT MAZIARZ:
25 Without objection, so ordered.

1 Senator Dollinger.

2 SENATOR DOLLINGER: Mr.

3 President, with unanimous consent, I would
4 like to be recorded in the negative on 156. I
5 believe I was recorded in the negative on 183
6 when the vote was called.

7 ACTING PRESIDENT MAZIARZ:

8 Without objection, so ordered.

9 Senator Gentile.

10 SENATOR GENTILE: Mr.

11 President, I would ask for unanimous consent
12 to be recorded in the negative on number 156.

13 ACTING PRESIDENT MAZIARZ:

14 Without objection, so ordered.

15 Senator Waldon.

16 SENATOR WALDON: Thank you very
17 much, Mr. President.

18 Yesterday I was called out of
19 the chamber on other Senate business. I would
20 like the record to reflect that had I been
21 here on Calendar 323, Senate 222, I would have
22 voted in the negative.

23 ACTING PRESIDENT MAZIARZ:

24 Without objection, so ordered.

25 Senator Libous.

1 SENATOR LIBOUS: Mr. President,
2 could we return to motions, please.

3 ACTING PRESIDENT MAZIARZ:
4 Return to motions and resolutions.

5 Senator Libous.

6 SENATOR LIBOUS: Mr. President,
7 on behalf of Senator Stafford, I would like
8 to, on page 12, I offer the following
9 amendments to Calendar Number 203, Senate
10 Print Number 6011, and ask that said bill
11 retain its place on the Third Reading
12 Calendar.

13 ACTING PRESIDENT MAZIARZ: The
14 amendments are received. The bill will retain
15 its place on the Third Reading Calendar.

16 Senator Kuhl.

17 SENATOR KUHL: Is there any
18 other housekeeping?

19 ACTING PRESIDENT MAZIARZ:
20 Yes. Return to reports of standing
21 committees.

22 The Secretary will read.

23 THE SECRETARY: Senator Wright,
24 from the Committee on Alcoholism and Drug
25 Abuse, reports:

1 Senate Print 37, by Senator
2 Levy, an act in relation to requiring;
3 65-A, by Senator Levy, an act
4 to amend the Education Law;
5 2353-A by Senator Leibell, an
6 act to amend the Education Law;
7 3358-A, by Senator Volker, an
8 act to amend the Alcoholic Beverage Control
9 Law and others.

10 ACTING PRESIDENT MAZIARZ:

11 Without objection.

12 Senator Kuhl.

13 THE SECRETARY: Senator
14 Marcellino, from the Committee on
15 Environmental Conservation, reports:

16 Senate Print 2720, by Senator
17 Johnson, an act to amend the Environmental
18 Conservation Law;

19 4910, by Senator Maltese, an
20 act to amend the Environmental Conservation
21 Law;

22 5465, by Senator Kuhl, an act
23 to amend the Environmental Conservation Law;
24 and

25 6216, by Senator Marcellino, an

1 act to amend the Environmental Conservation
2 Law.

3 All bills ordered direct for
4 third reading.

5 ACTING PRESIDENT MAZIARZ:
6 Without objection, all bills are directed to
7 the third reading.

8 Senator Kuhl.

9 SENATOR KUHL: Yes, Mr.
10 President. On behalf of Senator Bruno, I
11 would like to hand up the following committee
12 change and ask that it be filed.

13 ACTING PRESIDENT MAZIARZ:
14 Filed in the Journal.

15 Senator Kuhl.

16 SENATOR KUHL: Also, on behalf
17 of the members and those people who can hear
18 my voice, next Monday, I would ask all the
19 members to come in their finest condition, get
20 haircuts, shaves over the weekend, that sort
21 of thing, because it's the full Senate
22 picture, next Monday at session time.

23 So with this reminder.

24 SENATOR SKELOS: Mr. President,
25 would Senator Kuhl yield?

1 ACTING PRESIDENT MAZIARZ:

2 Senator Skelos.

3 SENATOR SKELOS: Senator Kuhl,
4 is it a dark shirt or a light shirt for the
5 photo?

6 SENATOR KUHL: It depends on
7 how you voted today.

8 ACTING PRESIDENT MAZIARZ:
9 Senator Kuhl, I'm to understand you stated it
10 was 3:00 p.m. sharp, that Senate picture.

11 SENATOR KUHL: The Senate
12 picture is 3:00 p.m. sharp.

13 ACTING PRESIDENT MAZIARZ: This
14 is 3:00 p.m. Bruno time.

15 SENATOR KUHL: There being no
16 further business, Mr. President, I move we
17 adjourn until Monday, March 2nd, at 3:00 p.m.,
18 with intervening days to be legislative days.

19 ACTING PRESIDENT MAZIARZ: On
20 motion, the Senate stands adjourned until
21 Monday, March 2nd, 3:00 p.m., intervening days
22 to be legislative days.

23 (Whereupon, at 6:21 p.m., the
24 Senate adjourned.)

25