ALBANY, NEW YORK

February 24, 1998

3:00 p.m.

REGULAR SESSION

LT. GOVERNOR BETSY McCAUGHEY ROSS, President

STEVEN M. BOGGESS, Secretary

P R O C E E D I N G S

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

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

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

Reverend Steward.

REVEREND STEWARD: Let us pray.

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

THE PRESIDENT: Amen.

The reading of the Journal, please.

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

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

Presentation of petitions.

Messages from the Assembly.

Messages from the Governor.

Reports of standing committees.

Secretary will read.

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

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

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

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

6084, by Senator Padavan, an

act to amend New York City charter.

Senator Spano, from the Committee on Labor, reports:

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

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

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

Senate Print 680-A, by Senator Saland, an act to amend the Public Health Law;

2588, by Senator Meier, an act to amend the Real Property Tax Law;

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

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

Senator Volker, from the Committee on Codes, reports:

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

306, by Senator Skelos, an act

to amend the Criminal Procedure Law;

365-D, by Senator Volker, an act to amend the Penal Law;

402, by Senator Maziarz, an act to amend the Criminal Procedure Law;

406-A, by Senator Maziarz, an act to amend the Criminal Procedure Law and the Penal Law;

589-B, by Senator Skelos, an act to amend the Penal Law;

751, by Senator Volker, an act to amend the Criminal Procedure Law;

1915, by Senator Libous, an act to amend the Penal Law;

2408-B, by Senator Skelos, an act to amend the Penal Law;

3660, by Senator Hannon, an acts to amend the Criminal Procedure Law; and

5325, by Senator Volker, an act to amend the Criminal Procedure Law.

Senator Rath, from the Committee on Local Government, reports:

Senate Print 1862, by Senator Johnson, an act to amend the Real Property Tax Law;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

All bills ordered -

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

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

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

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

All bills ordered direct for third reading.

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

Reports of select committees.

Communications and reports from state officers.

Motions and resolutions.

Senator Trunzo.

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

Thank you.

THE PRESIDENT: So ordered.

Secretary will read.

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

THE PRESIDENT: Substitution

ordered.

Senator Kuhl.

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

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

(Response of "Aye.")

Except 2658. Those opposed nay.

(There was no response.)

The Resolution Calendar is adopted.

Senator Kuhl.

SENATOR KUHL: Madam President.

THE PRESIDENT: Senator Kuhl.

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

THE PRESIDENT: Secretary will read.

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

SENATOR DOLLINGER: Lay it aside.

THE PRESIDENT: Lay it aside, please.

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

THE PRESIDENT: Read the last section, please.

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

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 37.

THE PRESIDENT: The bill is passed.

THE SECRETARY: Calendar Number

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

THE PRESIDENT: Read the last section, please.

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

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 37.

THE PRESIDENT: The bill is passed.

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

THE PRESIDENT: Read the last section, please.

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

THE PRESIDENT: Call the roll.

(The Secretary called the

roll.)

THE SECRETARY: Ayes 37.

THE PRESIDENT: The bill is passed.

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

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

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

THE PRESIDENT: Call the roll, please.

(The Secretary called the roll.)

THE SECRETARY: Ayes 37.

THE PRESIDENT: The bill is passed.

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

rural economic development zones.

THE PRESIDENT: Read the last section, please.

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

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 38.

THE PRESIDENT: The bill is passed.

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

THE PRESIDENT: Read the last section, please.

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

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 38.

THE PRESIDENT: The bill is

passed.

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

SENATOR STACHOWSKI: Lay aside.

THE PRESIDENT: Lay it aside, please.

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

SENATOR STACHOWSKI: Lay it aside.

THE PRESIDENT: Lay it aside, please.

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

SENATOR STACHOWSKI: Lay aside.

THE PRESIDENT: Lay it aside.

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

THE PRESIDENT: Read the last section, please.

THE SECRETARY: Section 5. This act shall take effect immediately.

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 41.

THE PRESIDENT: The bill is passed.

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

THE PRESIDENT: Read the last section, please.

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

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 41.

THE PRESIDENT: The bill is passed.

THE SECRETARY: Calendar Number

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

THE PRESIDENT: Read the last section, please.

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

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 41.

THE PRESIDENT: The bill is passed.

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

Senator Kuhl.

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

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

will read.

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

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

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

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

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

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

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

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

All bills ordered direct to third reading.

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

Senator Kuhl.

SENATOR KUHL: Yes, Madam President.

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

THE PRESIDENT: The Secretary will read.

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

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

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

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

Division of Housing and community renewal;

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

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

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

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

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

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

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

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

THE PRESIDENT: Senator Alesi.

SENATOR ALESI: Thank you, Madam President.

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

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

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

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

Thank you, Madam President.

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

(Response of "Aye.")

Those opposed nay.

(There was no response.)

The resolution is adopted.

Senator Kuhl.

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

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

Senator Kuhl.

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

THE PRESIDENT: The Secretary will read.

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

SENATOR PATERSON: Explanation.

THE PRESIDENT: Senator Kuhl, an explanation is requested.

SENATOR KUHL: Thank you, Madam

President.

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

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

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

So that's the essence of the bill.

THE PRESIDENT: Senator Paterson.

SENATOR PATERSON: Thank you. If Senator Kuhl would yield for a question.

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

THE PRESIDENT: Yes. Senator Paterson.

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

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

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

THE PRESIDENT: Senator Kuhl.

SENATOR KUHL: Correct.

THE PRESIDENT: Senator Velella.

SENATOR VELELLA: Just hangin' out.

SENATOR KUHL: Read the last section.

THE PRESIDENT: Read the last section, please.

THE SECRETARY: Section 3. This act shall take effect on the 60th day.

THE PRESIDENT: Call the roll, please.

(The Secretary called the roll.)

THE SECRETARY: Ayes -- those recorded in the negative on Calendar Number 183 are Senators Breslin, Dollinger, Kruger, Leichter and Paterson. Ayes 48, nays 5.

THE PRESIDENT: The bill is passed.

SENATOR PATERSON: Mr. President. Madam President, excuse me.

THE PRESIDENT: Senator Paterson. I'm sorry.

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

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

The Secretary will read the results again.

THE SECRETARY: Ayes 49, nays 4.

THE PRESIDENT: The bill is passed.

SENATOR KUHL: Madam President.

THE PRESIDENT: Senator Kuhl.

SENATOR KUHL: On the controversial calendar -

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

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

THE PRESIDENT: The Secretary will read.

THE SECRETARY: Calendar Number

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

SENATOR PATERSON: Explanation.

THE PRESIDENT: Senator Paterson is requesting an explanation.

Senator Holland.

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

SENATOR LACK: Get away with. (Laughter).

SENATOR HOLLAND: Get away from me.

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

THE PRESIDENT: Thank you,

Senator Holland.

Senator Paterson.

SENATOR PATERSON: Thank you, Mr. President.

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

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

THE PRESIDENT: Thank you, Senator Paterson.

Read the last section, please.

THE SECRETARY: Section 3. This act shall take effect on the 90th day.

THE PRESIDENT: Call the roll.

(The Secretary called the roll.)

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

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

THE PRESIDENT: The bill is passed.

Senator Kuhl.

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

THE PRESIDENT: Secretary will read.

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

SENATOR PATERSON: Explanation.

THE PRESIDENT: Senator Kuhl, an explanation is requested.

SENATOR KUHL: Yes, Madam President.

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

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

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

Very simply, an interstate

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

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

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

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

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

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

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

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

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

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

Over the last four or five months, I've had the opportunity to join with several Senators in this house in going into their district and asking their constituency what they thought about this proposal. Senator Wright had a hearing in Watertown; Senator Cook had one in Delhi; Senator Seward had one in Cortland, and the overwhelming response was, they needed relief, they needed help in stabilizing the price which they're

paid for milk.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

He also mentions the beef

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

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

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

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

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

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

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

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

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

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

"One of the first expenses to be cut is the hired help which maybe seems logical. This labor shortage is made up by the family. The parents work longer hours and the children work lots more hours, not more than their parents but more they used to. Many of my students go to the barn before they go to school in the morning and they go there again when they get home at night. This is true with my own children as well as some of my students. This limits the amount of time that they have for study and the amount of time that they have for play and, while you can certainly argue that farm kids have done this forever, you find the situation to be different than it was even a few years ago. I watch the brightest and the best juggle time schedules that are extremely demanding as they struggle to do the excellent work that they're

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

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

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

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

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

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

and Thanksgiving is for saying thank you.

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

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

"This year we have had farmers

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

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

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

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

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

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

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

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

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

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

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

THE PRESIDENT: Senator Paterson.

SENATOR PATERSON: Thank you, Mr. President.

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

SENATOR KUHL: If you'd like.

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

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

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

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

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

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

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

THE PRESIDENT: Senator Kuhl.

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

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

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

Minority Leader, five individuals.

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

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

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

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

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

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

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

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

So this is something that is

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

THE PRESIDENT: Senator Wright.

SENATOR WRIGHT: Thank you, Madam President.

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

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

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

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

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

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

in this state in Jefferson and St. Lawrence Counties.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Thank you.

ACTING PRESIDENT NOZZOLIO: Thank you, Senator Wright. Senator Waldon. Suffer an interruption, Senator Waldon.

Senator Kuhl.

SENATOR KUHL: Recognize Senator Waldon.

ACTING PRESIDENT NOZZOLIO: Senator Waldon.

SENATOR WALDON: Thank you, Mr. President.

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

ACTING PRESIDENT NOZZOLIO: Senator Kuhl, will you yield?

SENATOR KUHL: I'll be happy to.

ACTING PRESIDENT NOZZOLIO: Senator yields.

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

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

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

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

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

THE PRESIDENT: Senator Waldon.

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

THE PRESIDENT: Senator Kuhl.

SENATOR WALDON: Senator Kuhl, could we -

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

THE PRESIDENT: Senator Skelos.

SENATOR KUHL: Can we have the last section read?

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

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

SENATOR SKELOS: Thank you.

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

THE PRESIDENT: Call the roll.

SENATOR KUHL: Would you recognize Senator Leichter, please.

THE PRESIDENT: Senator Leichter.

SENATOR LEICHTER: No.

SENATOR KUHL: Senator Rath.
THE PRESIDENT: Senator Rath.
SENATOR RATH: Aye.
SENATOR KUHL: Senator LaValle.
THE PRESIDENT: Senator LaValle.
SENATOR LAVALLE: Aye.
SENATOR KUHL: Withdraw the roll call and continue the debate.
THE PRESIDENT: Withdraw the roll call, please, and continue the debate.
Senator Waldon.
SENATOR WALDON: Senator, could we do something in regards to an insurance program in our state which would protect dairy farmers from down side price movements? Have we tried to do anything in that regard?
THE PRESIDENT: Senator Kuhl.
SENATOR KUHL: Insurance program?
SENATOR WALDON: Yes.
SENATOR KUHL: No.
SENATOR WALDON: Have we attempted to do something in regard to the change and fluctuation in the prices of feed

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

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

THE PRESIDENT: Senator Waldon.

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

THE PRESIDENT: Senator Kuhl.

SENATOR KUHL: I'd be happy to.

THE PRESIDENT: Senator Waldon.

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

THE PRESIDENT: Senator Wald... Senator Kuhl.

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

THE PRESIDENT: Senator Waldon.

SENATOR WALDON: Madam President, thank you very much.

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

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

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

THE PRESIDENT: Senator Kuhl.

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

THE PRESIDENT: Senator Waldon.

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

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

SENATOR KUHL: Yes, there is.

SENATOR WALDON: There is.

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

SENATOR WALDON: If I may again, Madam President.

THE PRESIDENT: Senator Waldon.

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

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

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

THE PRESIDENT: Senator Kuhl.

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

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

THE PRESIDENT: Senator Waldon.

SENATOR WALDON: On the bill, Madam President.

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

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

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

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

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

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

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

I thank you very much, Madam President.

THE PRESIDENT: Senator Hoffmann.

SENATOR HOFFMANN: Thank you, Madam President.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Yesterday I was accompanied to

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ACTING PRESIDENT MARCELLINO: Thank you, Senator Hoffmann.

Senator Nozzolio.

SENATOR NOZZOLIO: Thank you, Mr. President.

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

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

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

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

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

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

should be supporting this measure for that reason.

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

ACTING PRESIDENT MARCELLINO: Thank you, Senator Nozzolio.

Senator Dollinger.

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

ACTING PRESIDENT MARCELLINO: Senator Kuhl, do you yield?

SENATOR KUHL: Certainly.

ACTING PRESIDENT MARCELLINO: He yields, Senator.

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

SENATOR KUHL: How imported,

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

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

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

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

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

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

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

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

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

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

SENATOR KUHL: That's correct.

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

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

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

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

SENATOR DOLLINGER: What will

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

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

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

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

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

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

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

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

SENATOR DOLLINGER: Again

through you, Mr. President, just one other -

ACTING PRESIDENT MARCELLINO: If the Senator continues to yield.

SENATOR KUHL: I would be happy to.

ACTING PRESIDENT MARCELLINO: He's happy to.

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

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

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

SENATOR DOLLINGER: Again through you, Mr. President.

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

SENATOR KUHL: I would be happy to.

ACTING PRESIDENT MARCELLINO: He's happy to.

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

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

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

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

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

ACTING PRESIDENT MARCELLINO: Senator Dollinger, on the bill.

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

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

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

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

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

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

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

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

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

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

ACTING PRESIDENT MARCELLINO: Excuse me, Senator. Can we have some order in the chamber, please.

SENATOR DOLLINGER: A philosophical difference that is important to understand the different position of at least this Democrat on those two issues.

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

system of government intervention in the marketplace evaporates.

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

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

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

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

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

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

ACTING PRESIDENT MARCELLINO: Thank you, Senator.

Senator Marchi.

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

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

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

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

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

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

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

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

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

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

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

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

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

the day.

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

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

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

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

ACTING PRESIDENT MAZIARZ: Thank you, Senator Marchi.

Senator Cook.

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

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

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

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

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

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

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

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

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

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

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

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

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

ACTING PRESIDENT MAZIARZ: Thank you, Senator Cook.

Senator Farley.

SENATOR FARLEY: Thank you, Mr. President.

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

You know, if this state, if

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

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

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

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

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

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

ACTING PRESIDENT MAZIARZ: Thank you, Senator Farley.

The Chair recognizes Senator Meier.

SENATOR MEIER: Thank you, Mr. President.

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

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

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

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

Thank you, Mr. President.

ACTING PRESIDENT MAZIARZ: Thank you, Senator Meier.

The Chair recognizes Senator Libous.

SENATOR LIBOUS: Thank you, Mr. President.

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

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

farmers.

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

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

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

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

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

ACTING PRESIDENT MAZIARZ: Thank you, Senator Libous.

Senator Gentile.

SENATOR GENTILE: Mr. President, I believe there is an amendment at

the desk.

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

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

ACTING PRESIDENT MAZIARZ: Senator Gentile.

SENATOR GENTILE: Thank you, Mr. President.

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

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

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

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

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

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

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

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

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

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

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

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

listed right here in this amendment.

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

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

ACTING PRESIDENT MAZIARZ: Senator Kuhl, on the amendment.

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

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

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

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

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

SENATOR GENTILE: Mr. President.

ACTING PRESIDENT MAZIARZ: Senator Gentile.

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

Through you, Mr. President.

ACTING PRESIDENT MAZIARZ: On the amendment.

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

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

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

Senator Dollinger.

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

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

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

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

ACTING PRESIDENT MAZIARZ: Senator Paterson.

SENATOR PATERSON: Thank you, Mr. President.

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

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

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

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

We do not do this in a sense of

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

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

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

ACTING PRESIDENT MAZIARZ: Senator Stafford, on the amendment.

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

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

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

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

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

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

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

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

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

(Response of "Aye".)

Those opposed, nay.

(Response of "Nay".)

SENATOR CONNOR: Slow roll call.

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

SENATOR CONNOR: Please.

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

The Secretary will call the roll slowly on the amendment.

THE SECRETARY: Senator Abate.

(There was no response.)

Senator Alesi.

SENATOR ALESI: No.

THE SECRETARY: Senator Balboni.

SENATOR BALBONI: No.

THE SECRETARY: Senator Breslin.

(There was no response.)

Senator Bruno.

(Negative indication.)

Senator Connor.

SENATOR CONNOR: Aye.
THE SECRETARY: Senator Cook.
SENATOR COOK: No.
THE SECRETARY: Senator DeFrancisco.
SENATOR DeFRANCISCO: No.
THE SECRETARY: Senator Dollinger.
SENATOR DOLLINGER: Yes.
THE SECRETARY: Senator Farley.
SENATOR FARLEY: No.
THE SECRETARY: Senator Gentile.
SENATOR GENTILE: Yes.
THE SECRETARY: Senator Gold.
(There was no response.)
Senator Gonzalez.
SENATOR GONZALEZ: Yes.
THE SECRETARY: Senator Goodman.
(There was no response.)
Senator Hannon. Senator Hannon.
(Negative indication.)
Senator Hoffmann.

(There was no response.)

Senator Holland.

SENATOR HOLLAND: No.

THE SECRETARY: Senator Johnson.

SENATOR JOHNSON: Nay.

THE SECRETARY: Senator Kruger.

SENATOR KRUGER: Yes.

THE SECRETARY: Senator Kuhl.

SENATOR KUHL: No.

THE SECRETARY: Senator Lachman.

SENATOR LACHMAN: Yes.

THE SECRETARY: Senator Lack.

SENATOR LACK: No.

THE SECRETARY: Senator Larkin.

SENATOR LARKIN: No.

THE SECRETARY: Senator LaValle.

(There was no response.)

Senator Leibell.

SENATOR LEIBELL: No.

THE SECRETARY: Senator Leichter.

(There was no response.)

Senator Libous.

SENATOR LIBOUS: No.

THE SECRETARY: Senator Maltese.

SENATOR MALTESE: No.

THE SECRETARY: Senator Marcellino.

SENATOR MARCELLINO: No.

THE SECRETARY: Senator Marchi.

SENATOR MARCHI: No.

THE SECRETARY: Senator Markowitz.

SENATOR MARKOWITZ: Yes.

THE SECRETARY: Senator Maziarz.

SENATOR MAZIARZ: No.

THE SECRETARY: Senator Meier.

SENATOR MEIER: No.

THE SECRETARY: Senator Mendez.

SENATOR MENDEZ: Yes.

THE SECRETARY: Senator Montgomery.

SENATOR MONTGOMERY: Yes.

THE SECRETARY: Senator Nanula.

SENATOR NANULA: Yes.

THE SECRETARY: Senator Nozzolio.

SENATOR NOZZOLIO: No.

THE SECRETARY: Senator Onorato.

SENATOR ONORATO: Yes.

THE SECRETARY: Senator Oppenheimer, excused.

Senator Padavan.

SENATOR PADAVAN: No.

THE SECRETARY: Senator Paterson.

SENATOR PATERSON: Yes.

THE SECRETARY: Senator Present.

SENATOR PRESENT: No.

THE SECRETARY: Senator Rath.

(There was no response.)

Senator Rosado, excused.

Senator Saland.

SENATOR SALAND: No.

THE SECRETARY: Senator Sampson.

SENATOR SAMPSON: Yes.

THE SECRETARY: Senator

Santiago.

(There was no response.)

Senator Seabrook.

(There was no response.)

Senator Seward.

SENATOR SEWARD: No.

THE SECRETARY: Senator Skelos.

SENATOR SKELOS: No.

THE SECRETARY: Senator Smith.

SENATOR SMITH: Yes.

THE SECRETARY: Senator Spano.

SENATOR SPANO: No.

THE SECRETARY: Senator Stachowski.

SENATOR STACHOWSKI: Yes.

THE SECRETARY: Senator Stafford.

SENATOR STAFFORD: No.

THE SECRETARY: Senator Stavisky.

SENATOR STAVISKY: Aye.

THE SECRETARY: Senator Trunzo.

SENATOR TRUNZO: No.

THE SECRETARY: Senator Velella.

SENATOR VELELLA: No.
THE SECRETARY: Senator Volker.
SENATOR VOLKER: No.
THE SECRETARY: Senator Waldon.
SENATOR WALDON: I'll vote for it.
THE SECRETARY: Senator Wright.
SENATOR WRIGHT: No.
ACTING PRESIDENT MAZIARZ: The Secretary will call the absentees.
THE SECRETARY: Senator Abate.
(There was no response.)
Senator Breslin.
SENATOR BRESLIN: Yes.
THE SECRETARY: Senator Gold.
(There was no response.)
Senator Goodman.
(There was no response.)
Senator Hoffmann.
SENATOR HOFFMANN: Explain my vote. It's my understanding -
ACTING PRESIDENT MAZIARZ: Senator Hoffmann, to explain her vote.
SENATOR HOFFMANN: It's my

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

THE SECRETARY: Senator LaValle.

(There was no response.)

Senator Leichter.

(There was no response.)

Senator Rath.

(There was no response.)

Senator Santiago.

(There was no response.)

Senator Seabrook.

(There was no response.)

ACTING PRESIDENT MAZIARZ:

Announce the results.

THE SECRETARY: Ayes 18, nays 32.

ACTING PRESIDENT MAZIARZ: The amendment is defeated.

Read the last section.

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

ACTING PRESIDENT MAZIARZ: Call the roll.

SENATOR PATERSON: Slow roll call, please.

ACTING PRESIDENT MAZIARZ: Senator Paterson. Senator Paterson.

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

ACTING PRESIDENT MAZIARZ: Senator Paterson.

SENATOR KUHL: Mr. President.

ACTING PRESIDENT MAZIARZ: Senator Kuhl.

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

ACTING PRESIDENT MAZIARZ: Slow roll call.

The Secretary will read.

THE SECRETARY: Senator Saland.

SENATOR SALAND: Aye.

THE SECRETARY: Senator Lack.

SENATOR LACK: Aye.

SENATOR KUHL: Would you also call Senator Marchi.

ACTING PRESIDENT MAZIARZ: Senator Kuhl.

SENATOR KUHL: Senator Marchi's name, please.

ACTING PRESIDENT MAZIARZ: The Secretary will read. On the bill.

THE SECRETARY: Senator Marchi.

SENATOR MARCHI: Aye.

SENATOR KUHL: Regular order.

ACTING PRESIDENT MAZIARZ: The Secretary will read the regular roll call order on the bill.

THE SECRETARY: Senator Abate.

(There was no response.)

Senator Alesi.

SENATOR ALESI: Yes.

THE SECRETARY: Senator Balboni.

SENATOR BALBONI: No.

THE SECRETARY: Senator Breslin.

(There was no response.)

Senator Bruno.

(Affirmative indication.)

Senator Connor.

SENATOR CONNOR: No.

THE SECRETARY: Senator Cook.

SENATOR COOK: Yes.

THE SECRETARY: Senator DeFrancisco.

SENATOR DeFRANCISCO: Yes.

THE SECRETARY: Senator Dollinger.

SENATOR DOLLINGER: Explain my vote, Mr. President, just briefly.

ACTING PRESIDENT MAZIARZ: Senator Dollinger, to briefly explain his vote.

SENATOR DOLLINGER: I couldn't help but follow up the comments made by Senator Stafford. I find it inconceivable

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

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

I vote no.

THE SECRETARY: Senator Farley.

SENATOR FARLEY: Aye.

THE SECRETARY: Senator Gentile.

SENATOR GENTILE: No.

THE SECRETARY: Senator Gold.

(There was no response.)

Senator Gonzalez.

SENATOR GONZALEZ: No.

THE SECRETARY: Senator

Goodman.

(There was no response.)

Senator Hannon.

SENATOR HANNON: Yes.

THE SECRETARY: Senator Hoffmann.

SENATOR HOFFMANN: Yes.

THE SECRETARY: Senator Holland.

SENATOR HOLLAND: Yes.

THE SECRETARY: Senator Johnson.

(There was no verbal response.)

Senator Kruger.

SENATOR KRUGER: No.

THE SECRETARY: Senator Kuhl.

(Affirmative indication.)

Senator Lachman.

SENATOR LACHMAN: No.

THE SECRETARY: Senator Lack voting in the affirmative earlier.

Senator Larkin.

SENATOR LARKIN: Yes.

THE SECRETARY: Senator LaValle voting in the affirmative earlier.

Senator Leibell.

SENATOR LEIBELL: Aye.

THE SECRETARY: Senator Leichter voting in the negative earlier today.

Senator Libous.

SENATOR LIBOUS: Aye.

THE SECRETARY: Senator Maltese.

SENATOR MALTESE: Aye.

THE SECRETARY: Senator Marcellino.

SENATOR MARCELLINO: Aye.

THE SECRETARY: Senator Marchi voting in the affirmative earlier.

Senator Markowitz.

(There was no response.)

Senator Maziarz.

SENATOR MAZIARZ: Yes.

THE SECRETARY: Senator Meier.

SENATOR MEIER: Yes.

THE SECRETARY: Senator Mendez.

SENATOR MENDEZ: No.

THE SECRETARY: Senator Montgomery.

(There was no response.)

THE SECRETARY: Senator Nanula.

SENATOR NANULA: To explain my vote.

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

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

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

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

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

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

Thank you, Mr. President.

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

The Secretary will read.

THE SECRETARY: Senator Nozzolio.

SENATOR NOZZOLIO: Aye.

THE SECRETARY: Senator Onorato.

SENATOR ONORATO: No.

THE SECRETARY: Senator Oppenheimer, excused.

Senator Padavan.

SENATOR PADAVAN: Aye.

THE SECRETARY: Senator Paterson.

SENATOR PATERSON: No.

THE SECRETARY: Senator Present.

SENATOR PRESENT: Aye.

THE SECRETARY: Senator Rath voting in the affirmative earlier.

Senator Rosado, excused.

Senator Saland voting in the affirmative earlier today.

Senator Sampson.

(There was no response.)

Senator Santiago.

(There was no response.)

Senator Seabrook.

(There was no response.)

Senator Seward.

SENATOR SEWARD: Mr. President, to briefly explain my vote.

ACTING PRESIDENT MAZIARZ:

Senator Seward, to explain his vote.

SENATOR SEWARD: Yes, Mr. President.

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

So we're talking today with

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

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

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

ACTING PRESIDENT MAZIARZ: Senator Seward will be recorded in the affirmative.

The Secretary will continue the roll call.

THE SECRETARY: Senator Skelos.
SENATOR SKELOS: Yes.
THE SECRETARY: Senator Smith.
(There was no response.)
Senator Spano.
SENATOR SPANO: Aye.
THE SECRETARY: Senator Stachowski.
SENATOR STACHOWSKI: Yes.
THE SECRETARY: Senator Stafford.
SENATOR STAFFORD: Aye.
THE SECRETARY: Senator Stavisky.
SENATOR STAVISKY: No.
THE SECRETARY: Senator Trunzo.
SENATOR TRUNZO: Yes.
THE SECRETARY: Senator Velella.
(There was no response.)
Senator Volker.
SENATOR VOLKER: Yes.
THE SECRETARY: Senator Waldon.
SENATOR WALDON: Yes.
THE SECRETARY: Senator

Wright.

ACTING PRESIDENT MAZIARZ: Senator Wright.

SENATOR WRIGHT: Thank you.

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

ACTING PRESIDENT MAZIARZ: Senator Wright and colleagues will be recorded in the affirmative.

The Secretary will call the absentees.

THE SECRETARY: Senator Abate.

(There was no response.)

Senator Breslin.

SENATOR BRESLIN: No.

THE SECRETARY: Senator Gold.

(There was no response.)

Senator Goodman.

(There was no response.)

Senator Markowitz.

SENATOR MARKOWITZ: To explain my vote.

ACTING PRESIDENT MAZIARZ:

Senator Markowitz, to explain his vote.

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

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

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

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

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

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

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

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

ACTING PRESIDENT MAZIARZ: Senator Markowitz recorded in the negative.

THE SECRETARY: Senator Montgomery.

ACTING PRESIDENT MAZIARZ: Senator Montgomery.

SENATOR MONTGOMERY: Yes, Mr. President.

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

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

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

The Secretary will resume the roll.

THE SECRETARY: Senator Sampson.

SENATOR SAMPSON: No.

THE SECRETARY: Senator Santiago.

(There was no response.)

Senator Seabrook.

(There was no response.)

Senator Smith.

ACTING PRESIDENT MAZIARZ: Senator Smith.

SENATOR SMITH: Thank you, Mr. President.

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

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

The Secretary will resume the roll.

THE SECRETARY: Senator Velella.

(There was no verbal response.)

ACTING PRESIDENT MAZIARZ: Announce the results.

THE SECRETARY: Ayes 35, nays 18.

ACTING PRESIDENT MAZIARZ: The bill is passed.

(Applause)

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

ACTING PRESIDENT MAZIARZ:

Senator Connor.

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

ACTING PRESIDENT MAZIARZ: The Secretary will read.

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

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

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

Those Senators excused: Oppenheimer and Rosado.

ACTING PRESIDENT MAZIARZ: Senator Kuhl.

SENATOR KUHL: Yes, Mr. President. On the controversial calendar, would you call up Calendar Number 154 now, please.

ACTING PRESIDENT MAZIARZ: The Secretary will read.

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

ACTING PRESIDENT MAZIARZ: Read the last section.

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

ACTING PRESIDENT MAZIARZ: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT MAZIARZ: Senator Kuhl.

SENATOR KUHL: I believe that

completes the con...

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

ACTING PRESIDENT MAZIARZ: Senator Paterson.

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

ACTING PRESIDENT MAZIARZ: Call the roll.

SENATOR PATERSON: We did that.

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

SENATOR PATERSON: We did that.

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

SENATOR PATERSON: That's why I stood up.

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

Announce the results.

THE SECRETARY: Those recorded

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

ACTING PRESIDENT MAZIARZ: The bill is passed.

Senator Stavisky.

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

ACTING PRESIDENT MAZIARZ: Without objection, so ordered.

Senator Nanula then.

SENATOR NANULA: Thank you, Mr. President.

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

ACTING PRESIDENT MAZIARZ: Without objection, so ordered.

Senator Lachman.

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

ACTING PRESIDENT MAZIARZ: Without objection, so ordered.

Senator Dollinger.

SENATOR DOLLINGER: Mr. President, with unanimous consent, I would like to be recorded in the negative on 156. I believe I was recorded in the negative on 183 when the vote was called.

ACTING PRESIDENT MAZIARZ: Without objection, so ordered.

Senator Gentile.

SENATOR GENTILE: Mr. President, I would ask for unanimous consent to be recorded in the negative on number 156.

ACTING PRESIDENT MAZIARZ: Without objection, so ordered.

Senator Waldon.

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

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

ACTING PRESIDENT MAZIARZ: Without objection, so ordered.

Senator Libous.

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

ACTING PRESIDENT MAZIARZ: Return to motions and resolutions.

Senator Libous.

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

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

Senator Kuhl.

SENATOR KUHL: Is there any other housekeeping?

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

The Secretary will read.

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

Senate Print 37, by Senator Levy, an act in relation to requiring;

65-A, by Senator Levy, an act to amend the Education Law;

2353-A by Senator Leibell, an act to amend the Education Law;

3358-A, by Senator Volker, an act to amend the Alcoholic Beverage Control Law and others.

ACTING PRESIDENT MAZIARZ: Without objection.

Senator Kuhl.

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

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

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

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

6216, by Senator Marcellino, an

act to amend the Environmental Conservation Law.

All bills ordered direct for third reading.

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

Senator Kuhl.

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

ACTING PRESIDENT MAZIARZ: Filed in the Journal.

Senator Kuhl.

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

So with this reminder.

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

ACTING PRESIDENT MAZIARZ: Senator Skelos.

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

SENATOR KUHL: It depends on how you voted today.

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

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

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

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

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

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