

Mrs. BROWN. You are correct.

Mr. ADAMS. So that the bill as it is now written says if you are a farm cooperative you must haul more than 50 percent for your members, for yourself. That is the first thing.

Mrs. BROWN. The only qualification to that is what they haul intrastate.

Mr. ADAMS. I won't get into intrastate.

Then the second thing is that this cooperative can go outside of its membership and outside of farm commodities for 15 percent but that 15 percent stays within the 50 percent.

Mrs. BROWN. Right.

Mr. ADAMS. In other words, you can haul yarn or hangers and so on up to 15 percent for nonmembers and then you can haul agricultural commodities up to less than 50 percent. Is that correct?

Mrs. BROWN. That is correct.

Mr. ADAMS. Those are the only exemptions unless there is some other category under part 2 that I don't happen to know about or have in front of me that would be exempted in any event. Is that your bill now?

Mrs. BROWN. That is right.

Mr. ADAMS. Thank you, Mr. Chairman.

Mr. FRIEDEL. Mr. Watson.

Mr. WATSON. Thank you very much, Mr. Chairman.

I apologize, Mrs. Brown, for not being here during your testimony in its entirety.

Pursuing Mr. Pickle's line of questioning a little bit, as I understand it, the Defense Department was against this. We do not know their position now since these amendments have been included in the bill. Is that your understanding?

Mrs. BROWN. Yes. I always hesitate to state another person's position but originally they were opposed.

Mr. WATSON. I think you are right in not trying to speak for someone else. It is confusing for us to get our own positions together here. Later on we can get some definitive position from the Department.

I appreciate your testimony.

Mrs. BROWN. Thank you.

Mr. FRIEDEL. As I understand it, the Defense Department enters into a contract with these agricultural cooperatives.

Mrs. BROWN. Yes.

Mr. FRIEDEL. Under the present law, they can bring back any commodity.

Mrs. BROWN. Yes. The court decision in the *Northwest* case, a lot of it stems from that, which is a relatively new interpretation.

Mr. FRIEDEL. The House bill and senate bill would correct that, in your opinion?

Mrs. BROWN. From here on after passage of this type bill, it would be subject to the 15-percent limitation.

Mr. FRIEDEL. Thank you, Mrs. Brown.

Mrs. BROWN. Thank you, Mr. Chairman.

Mr. FRIEDEL. Our next witness is Mr. George Dice, Director of Transportation and Warehouse Division, Consumer and Marketing Service, U.S. Department of Agriculture.

Mr. Dice.