

This is no more than was done for the motor carrier industry upon passage of the Motor Carrier Act in 1935; the requirement of proving the qualifications under paragraph (A) would serve to prevent the pseudo co-ops from obtaining any authority from their illegal operations.

Finally, I would also suggest, in view of the overall decline in revenues for cooperatives as closely connected with farming activities as milk producers (that is, not those which are principally involved in activities which are not farm related), that an amendment to section 1141j of title 12, U.S.C. (the Agricultural Marketing Act) be considered to the effect that all business conducted by a cooperative association under the regulation of the Interstate Commerce Commission (or similar agency) would be disregarded in determining the volume of member and nonmember business transacted by such association.

I wish to thank the committee for this opportunity to appear today and make our position known, and for your courteous attention.

Mr. FRIEDEL. Thank you, Mr. Olson, for a very informative statement.

I have no questions.

Mr. Watson?

Mr. WATSON. Mr. Chairman, I have two or three questions.

May I parenthetically state at this time I have an appointment I should have met at 12. The House is in session.

If these gentlemen want to be heard, certainly I want to give them an opportunity to be heard.

Could we possibly get permission to sit this afternoon and take a little while? I would like to ask him two or three questions. I want to give everybody an opportunity to be heard.

Mr. FRIEDEL. We will try to get permission to sit while the House is in session. If we get permission, we will come back at 2 o'clock.

Mr. WATSON. Would you like to dispose of this witness?

I will ask him two or three questions.

Mr. FRIEDEL. Yes.

Mr. WATSON. Mr. Olson, you at first made a rather strong indictment of all the cooperatives except three, yours and two others. You are not a member of this council that the gentleman represented a moment ago?

Mr. OLSON. No; we are not.

Mr. WATSON. Upon what basis do you make this blanket indictment? Briefly now.

Mr. OLSON. Under the qualifications branch as we are regulated by the U.S. Department of Agriculture, each year they determine by our activity our right to do for our members as the act provides. In other words, in our case of milk, we as a true cooperative under their surveillance are allowed to weigh, test, sample, and determine the rate of pay of the member producers that we represent. This is the qualification by which each year the qualification branch gives us this true status. This is what I base that on.

Mr. WATSON. In other words, you conclude simply because you are further regulated and inspected by the Department of Agriculture that that puts you in a unique position in contrast to those agricultural commodities and cooperatives that are not regulated, inspected, or have