

states for our members. We appreciate this opportunity to present our views on S. 752 to your Committee. We are outlining our specific objections to the provisions of this proposed Bill. We would like to discuss the basic issues which we believe have been presented for decision.

We do not sanction operations which claim, but are not entitled to, the partial exemption provided by Section 203(b) (5) of the Interstate Commerce Act. We support the Interstate Commerce Commission in the enforcement of the law which it has the duty to administer, and we appreciate their problem in dealing with illegal operations that claim coop exemption. We know there are transportation coops that are not bona fide under the definition of cooperative associations as set forth in the Agricultural Marketing Act. These illegal operations should be stamped out, and since they also hurt bona fide agricultural cooperatives and federated coops, we believe in, and support, the Interstate Commerce Commission in its enforcement. In fact, we have tried to help Interstate Commerce Commission to enforce the law.

We know ourselves of several so-called agricultural coops that are now operating and these should be stopped. I think it would be stopped if the Bill S. 752 was passed in regards to the law involved in the bill; but I do not think that the percentage should be changed unless it is just to make the government freight non-member. We have some so-called coops that are operating and were set up just to haul government freight, but I do not think just because there are a few bad apples in a barrel that we should throw out the whole barrelful.

It is necessary for non-member backhaul, when it is not economical or feasible to operate the trucks empty on a return trip. We have members on the West Coast that ship to the East Coast and we have to depend on non-member or government freight movements to get the trucks back to the West Coast to our members. Therefore, if the House of Representatives pass the bill that the Senate has passed, limiting the coops, including government, to 15% non-member movement, then out of 100 trucks sent to the East Coast, we would have to run approximately 85 of them back empty. This would not be feasible for anyone except some of the common carriers that are hauling defense department movements that charge from \$1.00 to \$1.50 per mile for their backhauls, which I think is a ridiculous rate.

The farmers who are participating in the farm transportation coops are trying to promote the effective merchandising of agricultural commodities in interstate and foreign commerce so that the industry of agriculture will be placed on a basis of economical equality to that of other industries; and to that end, to protect, control and stabilize the current of interstate and foreign commerce in the marketing of their agricultural products. The number of trucks operated by farm cooperatives has increased about 12% during the past six years, while total truck registration increased approximately 30% over the same period. Actually, the cooperative trucks represent $\frac{2}{10}$ ths of 1% of the total truck registrations in 1966, as compared with $\frac{3}{10}$ ths of 1% in 1960, so the cooperatives are decreasing instead of increasing as alleged by regulated motor carriers and railroads. So, we do not see why the percentage should be changed in the present Agricultural Marketing Act. There are only approximately 500 tractor-trailers that are operating 1,000 miles or more across country for farm cooperatives. I do not see where this would hurt the motor carriers or the railroads since motor carriers and railroads have thousands and thousands of pieces of equipment operating, so we would oppose the change in the Agricultural Marketing Act as far as the percentage is concerned.

Mr. FRIEDEL. What is the percentage in the old bill?

Mr. BOGGS. Not to do more for nonmembers than you do for members. So it would be 49-51. The Government is exempt now. It does not count for you or against you.

Mr. FRIEDEL. Let me get it clear in my mind. Are you opposed to S. 752?

Mr. BOGGS. Yes, sir; in the form it is now.

Mr. FRIEDEL. In your statement in the fourth paragraph you say: "We know ourselves of several so-called agricultural co-ops that are now operating and these should be stopped. I think it would be stopped if the bill S. 752 were passed."

Mr. BOGGS. Right.