

a 25 or 30 percent savings for the tax year, meaning that in the last year or year and a half these 13 co-ops have saved the taxpayers \$5 million.

This must not be overlooked as we see it.

Mr. FRIEDEL. Let me ask you this question. How many co-ops are there? Do you know?

Mr. BRADY. I have no idea. To my knowledge they are not even cataloged. There are thousands of them.

Mr. FRIEDEL. Do you know what percentage the 13 cooperatives bears to the overall trucking requirements of the Department of Defense?

Mr. BRADY. You mean the total freight that the Government uses the co-ops to ship?

Mr. FRIEDEL. Yes.

Mr. BRADY. I read an article that was published in one of the trade journals a few months ago. It seems to me that it was something less than 1 percent of the total dollars that the Department of Defense spent for freight charges. Yet out of this 1 percent we have estimated a savings to the Government of over \$5 million of the taxpayers' money.

This is one of the reasons that we are extremely concerned with this bill. The second reason is that the Department of Defense offers us an opportunity to get our trucks back to the point of origin. We are not like a common carrier that has thousands and thousands of solicitors on the street that can solicit business from every manufacturer in the country.

We have been hauling for the Department of Defense, saving them money. We have no solicitors. Therefore, I feel that by limiting this to 15 percent we will knock the taxpayers out of the savings, plus we will also knock our member farmers from an economical way to move their goods into the market.

This, I think, is the high point that has not been mentioned heretofore.

Now, we feel that if in your judgment this bill must be passed at this session of Congress—we had no knowledge ourselves of the Senate bill at the time of the hearing or we would have been there, but we had knowledge of this hearing last week. So this was quite short notice. I think that if there is such a hurry for the Congress to have to pass a bill, then there is no provision of any kind for a grandfather clause in any of the bills and I appeared before this committee 10 years ago in 1958 and there was a grandfather clause, I personally know, at that time.

I read the original act of 1935 and there was a grandfather clause at that time. So, in effect, if this bill is passed the way it is written, I firmly believe that you will put many, many of these co-ops out of business. The freight then will have to go back through the other channels which I will comment on in a moment that apparently have been unsatisfactory and made the cost of the produce at the markets and the farm products higher than they are today because, as we all know, the cost of everything goes up.

Our transportation basic cost is still about the same as it has been for years.

Mr. FRIEDEL. You may proceed with your statement.