

amount of money. I would like you to know that we are not in any way in the manufactured business. Our members grow the products and we haul to the various markets of the Nation.

Consequently, we back haul whatever goods we can get.
(Mr. Cardwell's prepared statement follows:)

STATEMENT OF JAMES CARDWELL, GENERAL MANAGER, MID-WEST GROWERS COOPERATIVE CORP., OKLAHOMA CITY, OKLA.

Mr. Chairman, my name is James Cardwell, and I am the General Manager of the Transportation Office of Mid-West Growers Co-operative Corp., Los Angeles office, which is non-profit farm co-operative incorporated under the laws of the State of Oklahoma.

Mid-West Growers Co-operative Corp. is composed of various farm members banded together to market their various farm products and transport the products under Section 203(b) (5) and 203(b) (6) of the Interstate Commerce Act. We operate with the purpose of transporting the goods of our members to the markets economically and, in turn, have some sound, feasible and also economical method of returning this equipment back to our members in order to maintain an over all cost which will keep our members competitive in the markets.

We are greatly concerned with Bill H.R. 6530 as we feel that the passage of this bill, as it is presently drafted, will prove detrimental not only to our members, but to the thousands of ranchers and farmers throughout the nation. We very strongly oppose the entire bill because, in our opinion, the present regulations more than adequately regulate the transportation of goods, while maintaining an economical manner of doing so.

This bill, as drafted, will limit our trucks to haul only 15% of non-member freight on the return haul and would, therefore, force us to dead head 85% of our trucks back to the original shipping point. This, in effect, would be mathematically and economically impossible and would force the price of farm commodities to be drastically increased in the markets.

Should you definitely feel that a bill of this nature must be passed, we feel that a practical solution would be the insertion of a "grandfather" clause which would insure the cooperatives that are presently operating under the existing law that they would not be put out of business, which the bill as written would certainly do. These cooperatives operating at the present are completely lawful, and we do not feel that Congress should legislate the lawful business out of existence.

We have been approved by the Department of Defense to haul their freight to various locations and bases in the United States. This is exempt from economical regulation under section 22 of the Motor Carrier Act, and by operating for the Department of Defense under Section 203(b) (5), we have been able to reduce the transportation costs for the Department of Defense. It is our understanding, through conversations with various employees for the Department of Defense, that the Department of Defense is receiving faster service because the vehicles which operate under the Agricultural Marketing Act provide "through" truck service at the substantial savings to the government.

In closing, we wish to stress the fact that the passage of this bill, as presently written, will only cause an overall increase in farm commodity costs and will be detrimental to the farmers and the general public. We feel that the savings of thousands of dollars to the Department of Defense, which is presently being afforded by using the Agricultural Marketing vehicles, cannot, should not and must not be ignored and should certainly be taken into consideration.

Mr. FRIEDEL. Thank you, Mr. Cardwell. Are there any questions?

Mr. ADAMS. No.

Mr. FRIEDEL. Our next witness will be Mr. Howard Mecom, general manager of the United Agricultural Transportation Association of America Marketing Co-op.