

Mr. GOOLSBEE. I would like to make a comment, that we are opposed to this bill, H.R. 6530 and companion bill S. 752. Our biggest objection is the 15 percent for nonmember freight.

Mr. FRIEDEL. Would you be satisfied with 25 percent, 20 percent?

Mr. GOOLSBEE. We would be willing to compromise on that percentage.

Mr. ADAMS. I would like to ask one question of these gentlemen who appeared in opposition. Section 22, I notice in several of your statements exempts government agencies. Then we have (b) (6) which exempts agricultural commodities, then we have (b) (5) which is the cooperative that we are operating under now.

I would like to know the opinion from counsel whether or not the exemption for the Defense Department you believe would continue under 22 or would be overridden by this legislation.

Mr. BRADY. Section 22 is written specifically for common carriers. We are not common carriers. I pointed that out in my paper that under section 22 the common carriers have filed, we file under section 203(b) (5).

Mr. ADAMS. It is the position—and I would like one of the others who are in opposition to this, if they have a different interpretation, to so state it, that this bill as an amendment to (b) (5) would prevent the carriage of government goods back as a backhaul except to the extent that they could be hauled under a 15-percent limitation.

Mr. GOOLSBEE. That is right.

Mr. ADAMS. Thank you.

Mr. FRIEDEL. Thank you, gentlemen. The meeting is adjourned.
(The following material was submitted for the record:)

STATEMENT OF E. M. NORTON, SECRETARY, NATIONAL MILK PRODUCERS' FEDERATION

THE FEDERATION

The National Milk Producers Federation is a national trade association. It represents dairy farmers and the dairy cooperative associations which they own and operate and through which they act together to process and market, in their own plants on a cost basis, the milk and butterfat produced on their farms.

The Federation was organized in 1916 and has represented dairy farmers and their cooperatives in the Nation's capital for more than 50 years.

Practically every form of dairy product produced in the United States in any substantial volume is produced and marketed through dairy cooperatives represented through the Federation.

These are farmers' cooperatives, exempt under section 203(b) (5) of part II of the Interstate Commerce Act and qualified under the Agricultural Marketing Act (12 U.S.C. Sec. 1141 j).

These cooperatives are owned and controlled by the farmers they serve and they are operated for the mutual benefit of such farmers. The cooperatives themselves can take no profit; and all earnings or savings made in the marketing of milk and dairy products, including any savings made in transportation, inure to the benefit of the farmers.

Dairy cooperatives are primarily marketing associations. However, many of them operate supply divisions through which supplies are purchased on a cooperative basis for their farmers.

WHY AGRICULTURAL EXEMPTIONS?

The theory of the Interstate Commerce Act is quite opposite to that of free competition. Under the Act, rates and routes are regulated, competition is restricted, and the transportation business is channelled to selected operators with the objective of providing dependable service by a limited number of strong carriers.