

We comply with the Marketing Act at all times. This cannot be true of a group of truckers.

Mr. WATSON. I agree with you that the farmers certainly have a tight squeeze and ultimately the consumer is paying for it. I appreciate that fact. But if we were to follow your premise, then we would say that a textile mill, the farmers could get together and buy a textile mill and they could bring their wool or their cotton into the textile mill and they manufacture it; just so long as the stockholders are farmers, the exemption would follow them on through in transporting their goods.

Mr. OLSON. Yes, sir. That is the whole idea of the act originally.

Mr. WATSON. I think if we would follow that, we would completely destroy the whole transportation process which is in delicate balance now.

You state on page 7 that even if you were to apply to become a regulated carrier, you would still be subject to the same ceiling of 49 percent.

Mr. OLSON. Yes, sir.

Mr. WATSON. You could apply to be a common carrier if you wish and haul anything. I am not saying it would be granted. It would be based on the public convenience and necessity but you would apply to be a common carrier and then you would not have to worry about any of this. You could haul anything you wished.

Mr. OLSON. No; not and be, again, a qualifying cooperative.

Mr. WATSON. You can't have your cake and eat it, too.

If you want to be a common carrier and carry anything and not be subject to all these limitations, you could apply to be a common carrier, could you not?

Mr. OLSON. I don't know how we could do this as a cooperative.

Mr. WATSON. I mean set up an independent carrier system.

Mr. OLSON. I suspect this would probably not set very well with the qualifications people.

Our cooperatives generally do not engage themselves in outside business as more or less stockholders of it. I don't know legally whether this would be against them or not. It would not be the wish of our company, I am sure.

Mr. WATSON. You could not qualify as a common carrier and still retain your exemption as an agricultural cooperative because the two are incompatible.

Mr. OLSON. In the qualifications, again, I believe, that it would be specifically held that this business done with nonmembers would still apply to the 49 percent regardless of how you would divide it, set it apart or anything else. Their reaction to that would be nonmember business.

Mr. WATSON. Still, we come back to the basic position right now, it would not hurt you but you are more concerned about the prospective difficulties?

Mr. OLSON. That is true.

Mr. WATSON. More than you are about the present difficulties.

Mr. OLSON. That is true.

Mr. WATSON. Thank you.

Mr. FRIEDEL. The committee will stand in recess until 2 o'clock, provided permission is given, as has been requested.