The intentions were, when this act was set up, to protect the consumer. We contend that the greater part of the American cheese, the natural American cheese, Brick, Muenster, and Swiss is not a package cheese in itself; it is a bulk cheese. We call it a bulk cheese for the simple reason that very seldom a Daisy is sold in the whole. It is sold piece by piece by the pound, over the scale, and the same thing holds true with Swiss and Brick. There might be exceptions in the Limburger. I believe the Limburger people are trying very hard to comply with this law. Just how successful they will be, time will tell. But we feel that especially in the Brick cheese factories and Muenster factories, we have a problem that is almost humanly impossible to weigh every individual cheese and mark its individual weight and be anywhere near accurate. It is hard work. It would require extra labor, and extra time and we believe it would add at least one-quarter cent to the handling and proper marking and labelling of this cheese, to do that and do it right.

PRESIDENT WHITING: Are there any other questions? Thank you, Mr. Horn.

I might announce at this time again that the resolutions committee will meet at the Retlaw Hotel after this session. Any one having resolutions will please hand them in to this committee. The chairman of the committee is Mr. Graf and they will welcome all resolutions; and also the nominating committee will meet after this session and anyone who has nominations to make, make them to that committee. The chairman is Arthur Johns of Luxemburg.

Our next speaker on the program is Mr. C. J. Jasper of Madison, of the Wisconsin Public Service Commission, who will talk on

TRUCKING MILK TO THE CHEESE FACTORIES

By Mr. C. J. Jasper

I am almost in the same position Mr. Horn was. This is the first time I battled one of these things (loudspeaker), but if I do as well as he did I will feel well satisfied.

This question of trucking milk to the cheese factories and other factories some five or six years ago was a boresome one. I think, however, in the meantime most cheese factories and other milk users have acquainted themselves with the law that regulates transportation, and to a large extent they found their problems had been minimized.

There have been a few things come up during the course of the last few years that the commission has ironed out and some of these
things I would like to go over with you, to keep you advised of what the commission is doing and what the regulatory provisions of the act are. I think we will start right at the beginning with somewhat of a summary.

As I view it, there are about three methods by which the milk is now being hauled to the cheese factory by the farmers themselves and by the cheese factory with their own trucks and by the so-called contract carriers. I believe you all know that when a farmer hauls his own milk that he is not subject to any particular regulation. He is required to have this usual one dollar "not for hire" permit on his truck, but that is the only regulation he is subjected to.

A year ago I had the pleasure of discussing this subject with the Southeastern group and one of the things they were interested in was the question of the transportation of milk in cheese factory vehicles. The answer is they were paid by the farmers or they deducted this from the cost of the milk and as a consequence they felt they were operating for hire and should be contract carriers. The commission, however, ruled on that several years ago and came to the conclusion that that was no different than a coal company selling coal and adding one dollar on for transportation, or like the dry cleaning establishments in some of the cities charging so much if you bring your suit or dress to the cleaners, or they charge a little bit more if they have to call for and deliver it. The commission ruled that would be private carriers. So all of you cheesemakers who haul milk in your own trucks to the factory, even though you are making a charge, it is considered a private carrier.

Of course, the thing that the law really was directed at was the use of the highways for hire. That is, making profit out of the use of the highways. I think the commission has taken a very liberal attitude with respect to these carriers. I think the commission has taken the attitude to regulate the truckers, not the flow of milk, and one thing I want to leave with you today is that the commission is not interested in where the milk is going to or where it is coming from. If the cheesemaker or the cheese factory directors want milk from a certain area, you can rest assured that the commission will see that you get a trucker to do the hauling for you, or if a group of farmers want to send milk to a certain factory, the commission will guarantee the facilities for trucking if they can get a trucker to do the work.

For the past year I have conducted several hearings in which certain condenseries or competitive factories would oppose the issuance of a franchise to trucker Jones, we will say, who wanted to haul to the Seven Corners factory, and when I asked them what
their opposition was, they remarked they were afraid if trucker Jones was given a franchise, they were going to lose some of the milk from the plant. The commission isn't interested in that at all. If the so-called Seven Corners factory has farmers in several towns that want to ship the milk to its factory, the only question is whether or not there are trucks now hauling milk to that factory, and if there are trucks, whether or not they are capable of hauling more satisfactorily to the factory. The commission in dealing with milk haulers is not so interested in satisfying the milk haulers as it is in satisfying the farmers and the cheese factories. The statute says that the commission shall do everything they can to promote the public interest and to see that the public is satisfactorily served. The public, at least, so far as I can see, to which the statute has reference to, are the farmers and the cheese factories or the condenseries or whoever else might be getting the milk. The commission is required to determine whether or not there are adequate facilities, and if there are adequate facilities, the statute requires that a new franchise be issued.

I might say right in that connection that two years ago the legislature amended the law providing the commission could grant authority without hearings, and to a large extent the commission has granted authority to fellows who were only going to haul milk without having a hearing, and then if there were some truckers in the territory that wanted to oppose him, they could petition the commission for a hearing.

About two months ago I conducted a hearing in which we had opposition of that sort and I got up there to find out that a certain condensery had asked for the hearing for the simple reason that they thought if this trucker were given a franchise they would lose some of their milk customers. When I took that story back to the commission they didn't think very much of it. They authorized this trucker to haul the milk to the cheese factory. So again at this point I want to repeat that the question is not where the milk is going or where it is coming from. If the cheesemaker or factory wants milk from a certain territory, it is the commission's duty to determine whether he has got trucks to bring it in or whether or not the farmers have enough trucks to ship it to the factory, and if there are not enough trucks to render a satisfactory service, I can assure you you are going to have a new truck to do your work.

Now, another thing that I always like to go into, and I have an idea if I don't, someone will shoot a question at me—as a matter of fact, I know there are some of you in the group who want to ask me a question—that is the matter of rates. Any number of cheesemakers have asked why the commission didn't establish rates for the trucking of milk. I think I would be better off if I didn't even
nention that subject. Well, it has been tried in other states and under our statutes the commission does have jurisdiction and authority to set rates, but the commission has studied the problem and investigated the problem and they have come to the conclusion that it is such a local problem they would have to have thousands upon thousands of different scales of rates. Almost every cheese factory and almost every condensery would have to have a different rate because the milk coming into its plant might have to be hauled over a high type of road or may be over hills and dales and may be over swamp road, and in the winter time they would have to do their own snow plowing. There are such a multitude of questions enter into it that for the time being the commission felt that was a problem that could best be handled between the factories, the farmers and the truckers.

I know in one state I am sure it has been tried, namely, Kansas, and that it didn't prove to be a success. They went through a very costly investigation to set up rates for hauling of milk and live stock and I understand at least it proved very unsatisfactory.

During the last year there has been some comment, particularly during the last legislative session, that there should not be any regulation regarding the transportation of milk and, of course, I don't have a bit of interest in that one way or the other. I do know when this law was originally passed in 1933 it was the idea to regulate all trucks operating for hire. In 1935 the legislature started to relax somewhat on the farm hauling regulations. I do know during the last session there were many attempts to eliminate entirely the regulation of farm hauling. Strangely enough, however, the very people who you would think were in favor of that were opposed to that,—the various farm hauling organizations, the farmers themselves who are opposed to it.

There is another thing I would like to leave with you today and that I believe is the cheesemakers and the various receivers of milk to a large extent could be helpful to the commission by ironing out some of their own problems, particularly where the fellows that have authority to come to their factory. We often times have hearings where two fellows trucking to the same factory are in a fight and we find there will be 10 or 15 farmers appearing in behalf of Jones and 16 or 15 in behalf of Smith. It has always occurred to me that is a very unsatisfactory thing and sort of back fence fight. They come there and get in an awful battle, and I know often times cheesemakers come up to me after the hearing and have said if anything, that was going to hurt the factory. I think those problems should be tried to be settled right there because if they come before the commission, as they have the right to do, they often times develop into a local battle and that sometimes hurts the flow
of milk to the factory. As I said before, the commission doesn't want to see anything like that happen in this regulation of farm haulage.

Now, Mr. Whiting, this subject could be gone into quite indefinitely but I believe there may be people here who would like to ask something specific on problems that come up and I would be glad to answer any questions.

PRESIDENT WHITING: Is there anyone here who would like to ask Mr. Jasper any questions? He would be glad to answer them.

MR. JASPER: Mr. Boyer asks me if I will discuss briefly the question of cheese to the warehouse and the return of supplies. Of course, we are getting into the tax problem. To start with, the same thing applies if a cheesemaker is hauling his own cheese to the factory, he don't have to have any authority or franchise from the commission to perform that service. However, if he is hiring his milk hauler to haul the cheese to the factory, the milk hauler must have authority to perform that service. Anyone, as a matter of fact, that would be hauling the cheese to the warehouse and receiving compensation for it would have to have a franchise or an amendment to his franchise.

Now, as to the question of taxes—the statute exempts from the payment of tax vehicles that are engaged in the transportation of butter, dairy products, and it goes on to mention agriculture or fresh products immediately and directly from point of production or transportation to farms of materials and supplies or equipment for use thereon, and the transportation by private motor carriers of farm machinery and parts of farm machinery.

Now as you can well see, that exemption does not technically exempt the movement of supplies from the warehouse back to the cheese factory. However, for the most part you will find that these ordinary cheese factory trucks come under another exemption. Many of them are lighter weight trucks and they have a gross weight of less than 8,000 pounds. Now, if their truck has a gross weight of less than 8,000 pounds they don't have to pay any tax, no matter what they haul. If the truck has a gross weight in excess of that, there are certain items that are taxable, and if they are taxable they could elect to take a special permit or a 1,000 mile permit.

This gentleman asks whether a "not for hire" truck would be prohibited from returning from the warehouse with boxes and supplies. A "not for hire" truck, that is one of these owned by the factory can haul anything for the factory no matter what it is, coal or boxes or supplies or anything else. That is just the same as the groceryman's truck; he can haul anything he can pile into it and
if this truck is operating "not for hire" you can haul anything you can put into it just so you don't get over your gross weight and get caught by your secretary of state's man.

This gentleman here asked whether or not this 1,000 mile permit expires after three months. Yes, it did until recently when the legislature amended the law. I am not going to go into that in detail because the legislature passed three bills and we have got to wait until the revisor of statutes ties those three bills together, but the net result is this: the 1,000 mile permit goes on indefinitely until it is all used up, whether it is three months, six months or a year.

PRESIDENT WHITING: We thank you, Mr. Jasper.

Ladies and gentlemen, at this time we would like to get some idea of how many plan on attending the banquet tonight. As I stated before, the Hotel Retlaw has a very nice banquet tonight and we have entertainment for you, and we would like to have you attend if possible, and you can buy your tickets here at the registration desk and also there will be tickets available at the hotel tonight. Will all those who plan on attending please raise their hands?

At this time I would like to introduce to you Mr. Daniels of Wisconsin Rapids.

MR. DANIELS: I would like to say, Mr. President, and ladies and gentlemen, I have been asked to come here on an unusual message, perhaps, to extend an invitation to you people to hold your next convention in Wisconsin Rapids. We have never had this convention. We are a great dairy country in Wood County. We are quite a cheese center and still we have never had this cheesemakers' convention. We have entertained the buttermakers and other dairy associations but we have never had the pleasure of entertaining the cheesemakers. That is my purpose here. I am not going to ask any questions, so whatever I say will have to stand. I just like to say this in all seriousness, our mayor called me this morning and said that he had taken the matter up with your president and secretary and our Chamber of Commerce of Wisconsin Rapids has also taken this matter up and I come here to verify and appear for them and extend to you a hearty invitation to come to Wisconsin Rapids in 1940.

I would like to say this, we have a city that is perhaps quite unusual. You may not be interested in that but still we have a town of from ten to twelve thousand population; we have the largest percentage of home owners and largest per capita pay roll. We are proud of the town and proud of the building we are going to turn over to you people when you come to the convention. We have