

## F. PIPE LINE

1. The amount of public aid which may have been extended to pipe-line transportation.

We believe that this Board should be permitted to complete its studies and prepare its report on the transportation needs of the Nation as provided for in the act. We submit the belief that the policy that has been established by the Congress should be observed until there has been some demonstration that the establishment of the policy was wrong and that the plan of planless drifting was proper, and should be returned to again.

For the committee or Congress to now attempt to anticipate the report of the Board or for the Congress to now authorize the immediate appropriation of some \$144,000,000 for the immediate further subsidization of carriers by water must be considered as an injustice to those engaged in the transportation industry and whose investments of dollars and lives in that industry must be adversely affected by such a procedure.

If we have interpreted the provisions of bill H. R. 6999 correctly, it proposes two entirely separate agencies of transportation—a canal and a pipe line. I shall refer to them separately.

The consideration of the pipe-line project by this committee appears as somewhat unusual when we refer to events involving pipe-line legislation that have been given consideration by the present Congress.

In House Report No. 685, Seventy-seventh Congress, last session, it is quite noticeable that when the President considered it necessary to write the Congress relative to the petroleum needs of the eastern portion of the country the letter of the President was addressed to the Interstate and Foreign Commerce Committee, and there appears the recital of the investigation made by a subcommittee of that committee; and, finally, as a result of the investigations, studies, reports, and the consideration of the resultant legislation, there appears the provisions of Public Law No. 197, Seventy-seventh Congress, first session, and I shall quote section 2 of that act as follows:

SEC. 2. Whenever the President finds that the construction of any pipe line for the transportation and/or distribution of petroleum or petroleum products moving in interstate commerce, or the extension or completion of any such pipe line already wholly or partly constructed, is or may be necessary for national defense purposes, he shall by proclamation declare such finding.

SEC. 4. (a) In the event that it is impracticable for any private person promptly and satisfactorily to construct, extend, or complete any such pipe line, the President, if of the opinion that such action is desirable in the interests of national defense, may provide for the construction, extension, completion, or operation of such pipe line by such department or agency of the Government as he may designate.

If the statements we have heard relative to this act are correct, it would appear that there is absolutely no real necessity, unless, perhaps, for camouflage purposes, of making the pipe-line proposal any part of this bill. However, it may be that the Congress may desire to decide that the pipe line shall be handled by the Secretary of War instead of the agency that might be selected by the President; and this legislation would appear to take from the President the authority extended him under the act.

Whatever the reason may be for its present introduction as a part of this bill, we desire to propose that the original act may be left as it is, and that there may be no favorable consideration given by the committee or the Congress to this new proposal.