

The proposed construction of the Florida Canal has been presented on different occasions and, apparently, under different plans of construction. All were unfair and objectionable, and all have been refused the favorable consideration of Congress. This present proposal, coming at a time when every available man-day and/or man-hour of work and effort is needed for the prosecution of the wars this Nation is engaged in, should not be given any favorable consideration.

The proposed diversion of \$144,000,000 toward the construction costs of the project appears as another unfair and objectionable diversion of public funds all of which are so much needed for the prosecution of the war.

Mr. Chairman, the remarks that have been made before this committee prompt me to refer to two public documents. One is House Report No. 1985, dated February 8, 1933, Seventy-second Congress, second session, which was printed pursuant to House Resolution 235. It is given the title "Government Competition With Private Enterprise."

This was a House committee that made quite an extended study of the Government in competition with private enterprise. It is an extended document that I am not going to go into in great extent. But I do wish to refer to one particular statement made by the committee that handled that investigation.

I read this. This appears on page 35:

One of the facts which has been demonstrated is that transportation of materials by barges of the Inland Waterways Corporation is not cheap transportation.

And again I wish to call your attention to the fact that this is a congressional committee that made an extended study, and this is their statement:

When a shipper ships by railroad the rate which is charged by the railroad is the total charge for the transportation of materials. With the sums received the railroad maintains its roadway, pays taxes, and is entitled to earn a return on its investment, in addition to paying the other costs incident to the transportation of the materials. The Federal Barge Line, on the other hand, with the moneys which it receives from shippers, pays nothing for taxes except the taxes on its railroad property, makes no return to earn a return on its investment, and pays nothing for the use of the stream or to reimburse the Government for its expenditures for construction and maintenance. It transports materials for approximately 80 percent of the rail rate. The railroads claim to pay out annually approximately 6 or 6½ percent of their gross revenues for taxes, and this one item alone accounts for one-third of the barge-line differential. That part of the transportation cost represented by the maintenance of the roadways, interest on investment, and taxes which is paid by the shipper when he ships by rail is borne by the taxpayer when the materials move by the Federal Barge Line, and this burden which is borne by the taxpayer is much greater than the difference between the railroad freight rate and the barge-line freight rate.

There is one other Federal document that I wish to refer to because of statements that were made in connection with the land grants. As I understand it, the State of Texas gave these. It is not my understanding that the State of Texas gave any land to the railroads to be described as land grants.

The CHAIRMAN. Oh, yes. They gave about 32,400,000 acres, and the county in which I happened at that time to be county judge invested our money for the county.

Mr. CORBETT. I quote from Senate Document No. 43, Seventy-second Congress, first session, a report prepared by Leo J. Flynn, attorney-