

like conviction, he shall be sentenced to imprisonment for contempt until he shall have obeyed the order and purged himself of such contempt; and the person holding the inquiry shall have power to take evidence on oath, and for that purpose to administer oaths.

That notices of inquiries may be given and published in accordance with such general or special directions as the chairman may give.

That the Appraisal Board may require a separate assessment of any element in the determination of the amount of compensation to be paid to the owners where there is lack of record evidence as to the actual existing investment. In such separate assessment the Appraisal Board shall cause estimates to be made of the actual existing investment by comparison of the cost of reproduction new of the properties under investigation with the cost of reproduction less depreciation and the estimated original costs thereof to date. This, with the intent to ascertain how much the owners have actually contributed in money or its equivalent to the public service, subject, however, to the legal limitations imposed by law upon the rights, powers, authorities, interests, and privileges accorded in and acquired under the charters of the corporation owners and the grants to individual owners.

Section 8. That any capital sum payable under an agreement or award made by said Appraisal Board to said owner, or under any final judicial review of such award, or for new extensions and capital improvements directed to be made by such Appraisal Board, shall be discharged in whole or in part by cash payments, or, if the secretary of the treasury so direct and said owners shall so agree, by the issuance to such owners of bonds as hereinafter provided of a par value not exceeding in amount the total amount of such agreement awarded by the Appraisal Board or by judicial determination.

Section 9. That for the purposes of paying such amount of compensation so determined, the secretary of the treasury, with the approval of the President of the United States, is hereby authorized, from time to time as required, to issue bonds in such form and subject to such terms of issue, conversion, redemption, maturities, payment, and rate and time of payment of interest as the secretary of the treasury may prescribe. The principal and interest thereof shall be payable in the United States gold coin of the present standard of value; but such bonds shall not bear the circulation privilege.

That there is hereby created in the treasury of the United States a cumulative sinking fund for the retirement of all bonds issued and outstanding under this act. Said sinking fund and all additions thereto are hereby appropriated for the payment of such bonds at maturity by the secretary of the treasury at such prices and upon such terms and conditions as may be prescribed in said bonds. Said sinking fund shall exist until all such bonds are retired.

There is hereby appropriated out of the operating revenues of the National Railways Operation Corporation, to be paid to the treasurer of the United States, the sums provided for in paragraph (c), section 2, Article III of this act, or out of any money in the treasury not otherwise appropriated, an amount equal to 1 per centum per annum upon the aggregate amount of bonds outstanding on July 1st of each year: Provided, that the amount of the annual payment into such sinking fund shall in no year be diminished because of the retirement of bonds previously outstanding. The secretary of the treasury shall submit to congress at the beginning of each regular session a separate annual report of the action taken by him under the authority contained in this section.

Section 10. That the Appraisal Board may approve and the federal government shall build new extensions and capital improvements, including the construction of railroads along such route or routes as the National Railways Operating Corporation shall designate and locate, with the necessary branch lines, feedings, sidings, switchings, and spurs; and may purchase or otherwise acquire by contract or condemnation all real and personal property necessary to carrying out the purposes of this act: Provided further, that the Appraisal Board shall exercise the power of eminent domain in acquiring property for such use, which use is hereby declared to be a public use, by proper proceedings in the courts of competent jurisdiction in the states or possessions of the United States, or in the federal courts, in accordance with the laws now or hereinafter in force. That the Appraisal Board shall acquire rights of way, terminal

grounds, and all other rights; that it shall purchase or otherwise acquire all necessary equipment for the construction and operation of such new extensions and capital improvements, and shall provide for the construction of telegraph and telephone lines which the board of directors of the National Railways Operating Corporation may deem to be necessary or convenient in the construction and operation of the railways of the United States and its possessions; and the Appraisal Board shall provide for the construction and extension of light railways or less than standard-gauge railways, bridges, ferries, harbors, docks or piers, canals, or inland navigation facilities, which it may deem necessary, and shall classify railroads in such manner as the board of directors shall deem fit.

That it is the intent and purpose of congress, through this act, to authorize the Appraisal Board, and it is hereby fully authorized and empowered through such officers, agents, or agencies as it may appoint or employ, to do all necessary acts and things in addition to those specially authorized in this act to enable it to accomplish the purposes and objects of this act.

That the Appraisal Board is authorized, with the approval of the President of the United States, to withdraw, locate, and dispose of, under such rules and regulations as it may prescribe, such area or areas of the public domain along the line or lines of proposed new railroads for townsite purposes as it may from time to time designate.

Section 10. That terminal and station grounds and rights of way through the lands of the United States and its possessions are hereby granted for the construction of railroads and telegraph and telephone lines authorized by this act; and in all patents for lands thereafter taken up or entered on, located in the lands of the United States and its possessions, there shall be expressed that there is reserved to the United States a right of way for the construction of railroads and telegraph and telephone lines to such extent on either side of the center line of any such road and on either side of the center line of any such telegraph or telephone lines as the Appraisal Board may deem necessary or advisable; and the Appraisal Board may, in such manner as it deems advisable, make reservation of such lands as are or may be useful for furnishing materials for construction and for stations, terminals, docks, and for such other purposes in connection with the construction and operation of such railroad lines as it may deem necessary and desirable.

That it is hereby declared that the extension of railroad lines in new territory shall be met only by the expenditure of capital funds by the United States but also by the exercise of the power of taxation imposed by local authority upon the territory benefited, whereby such territory shall contribute its portion of the cost of the extensions approximately commensurate with the increase in value which the land within that territory may realize by reason of the building of such extension.

That if a certain region or locality desires an extension of railway facilities and organizes under local or regional special assessment laws, providing by local taxation for the cost of construction of the lines desired, the obligation on the part of the United States to build such extension shall be deemed by the Appraisal Board to be imperative.

That if a certain region or locality will organize itself under regional or local special assessment laws, and, having so organized, will assume that part of the cost of the construction and equipment of the new extension which may be apportioned to it by the Appraisal Board, and will provide such part of the whole cost as may be allotted to it by the Appraisal Board, then the building of such extension by the United States at the specified sharing of costs shall be deemed by the Appraisal Board to be imperative.

That whenever the Appraisal Board shall deem it requisite to the public welfare to build an extension through territory which would receive no benefit therefrom, then, and in that case, the total cost of construction shall fall upon the public for whose benefit the extension is made.

That it is declared that any expenditure made for extension out of funds provided by taxation may not be capitalized, nor shall any payments for extension or improvements made out of operating revenues be capitalized.

That in acquiring the railway properties of the United States and its possessions the federal

government shall acquire complete ownership in these properties and shall finance their acquisition as herein provided, by capital expenditures covering all construction and equipment, and including in such financing the requisite amount of capital required as working capital as the same may from time to time be determined by the Appraisal Board.

Section 13. That the Appraisal Board shall make to the President annually, and at such other periods as may be required by the President or by either house of congress, full and complete reports of all its acts and doings and of all moneys received and expended in the construction of new extensions and capital improvements and in the performance of their duties in connection therewith. The annual reports herein provided for shall be, by the President, transmitted to congress.

That any government employee or official, any member of the Appraisal Board or employees of such board, any director, official employee, or classified employee of the corporation who shall receive any consideration or benefit, either directly or indirectly, in excess of his wages or remuneration authorized by this act, out of the operation of said railways or for any railway undertaking, or by any form of inducement that could influence official action, shall upon conviction thereof be subject to a penalty of ten times the value of the consideration so received and to imprisonment for a term of one to twenty years, the extent of the latter penalty to be imposed by the jury.

ARTICLE II

Section 1. That the National Railways Operating Corporation (referred to herein as the corporation) is hereby created and constituted as a body corporate and politic indeed, action, and name. The board of directors, official employees, and classified employees, hereinafter described, shall be and constitute said corporation. The purpose of said corporation shall be for public service and not for private profit, and for leasing, maintaining, and operating for public use as a single system all of the railway lines and transportation property of the United States and its possessions.

That the corporation shall be created for the term of one hundred years.

That said corporation may exercise all of the powers hereinafter conferred, may own and hold all properties, rights, and privileges permitted by this charter, and in its name may sue and be sued.

That the affairs of said corporation shall be administered by a board of directors of fifteen members, which shall be selected in the following manner: Five of the directors shall be elected by the classified employees of the railway lines and properties of the United States and its possessions below the grade of appointed officials; five of the directors shall be elected by the official employees of said lines and properties; and five, of whom one shall be designated as chairman, shall be appointed by the President of the United States, by and with the advice and consent of the senate; not more than three of said appointees shall belong to one political party.

That the members of each group of five directors shall be elected and appointed, respectively, for terms of two, four, six, eight, and ten years each, their terms thereafter overlapping and for ten years each. The elected directors shall be subject to recall by their electors and the appointed directors to removal by the President for inability or misconduct.

Section 2. That the board of directors shall have power to create all of the offices in said corporation by name or classification and to appoint all officials from chief executive down to the point where employment begins by classification, or to authorize heads of departments created by said board of directors to appoint their subordinates down to the point where employment begins by classification, and to prescribe the conditions of employment and classification of all other employees.

That notwithstanding anything in this act, any society of workers, all or some of whose members are wholly or partly employees on the railway lines or properties of the federal government, or in any other manner employed by the corporation, or otherwise under this act, may be registered or constitute themselves or be a trade-union, and may do anything individually or in combination which the members of a trade-union may lawfully do: Provided further, that notwithstanding any act, order, or regulation to the contrary, it shall be lawful for any person