

R. E. Lee Marshall, Esq., City Solicitor (cont'd)

merce Commission, touching such profit, a full report thereof shall be made to the Postmaster General, to the Secretary of the United States Senate, and to the Clerk of the House of Representatives."

(c) A contract "let, extended or assigned" pursuant to this statute and in effect March 1, 1935, or a contract which is let subsequent to that date, pursuant to this statute, and is satisfactorily performed during its full initial period shall, after March 1, 1935, or after the termination of its initial period, be continued for an indefinite period and compensation therefor, after March 1, 1935, shall be paid at the rate fixed by order of the Commission, under the provisions of this statute, subject to such additional conditions and terms as the Commission may prescribe, upon recommendation of the Postmaster General; a contract so continued in effect may be terminated by the Commission on sixty days' notice upon reasonable hearing and notice to interested parties; it may also be terminated by mutual agreement of the contractor and the Postmaster General, or for cause by the contractor upon sixty days' notice. On the termination of air-mail contracts, the Postmaster General may let a new contract over the route affected.

(d) Sections 524 to 568 of this same title (39), relating to the administrative methods and procedure for the adjustment of mail rates on railroads are applicable to mail rates by aeroplane under this statute. The Commission also has the same powers as the Postmaster General to keep, examine and audit books, records and accounts of air-mail contractors, and is authorized to employ special agents therefor who may administer oaths, examine witnesses, and receive evidence.

(e) In fixing reasonable air-mail rates the Commission is to consider the amount of air-mail, the facilities supplied by the carrier, the carrier's revenue and profits from all sources, and shall then establish rates which shall be designed to keep the aggregate cost of air-mail transportation after July 1, 1936, within the limits of the anticipated postal revenue therefrom. To this end, the Commission is to disregard losses resulting from unprofitable maintenance of non-mail schedules, in cases where the Commission "may find that the gross receipts from such schedules fail to meet the additional operating expenses occasioned thereby." Holders of air-mail contracts contending that the rate of compensation is insufficient have the burden of proving such insufficiency. In no case shall the rates fixed by the Commission exceed the limits prescribed by Section 469a (53-1/3¢ per aeroplane mile