336934 Docision No.

BEFORE THE RAILKOAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of BEKINS VAN LINES,) INC., a corporation, for a certificate of public con-) vonionce and necessity to operate as a highway common) carrier in the transportation of household goods and) allied commodities over the following routes as Alternate to existing cortificated routes, between Long)
Beach and Montalvo via U.S. Highway alternate #101,
between Los Angeles and Montalvo via U.S. Highway alternate #101 and Pico Boulevard, between State Highway #120 and Stockton via U.S. Righway #50, between Famoso and Paso Robles via U.S. Highway #466, and State Highway #41, between Califa and Gilroy vin State Highway #152, between Ventura and Castale Junction via State Highway #126, and between Visalia Junction and Famoso via State Highway #198 and #65; and as an enlargement and extension of its existing operative rights, between Los Angeles and Arizona-California Line via U.S. Highway #60, #80, and #99, and between Sacramento and the Oregon-California Line)
via U. S. Highway #99, #99E and #99W, and intermediate points; and certificate de novo in lieu of
all other certificates of applicant. OPIGINAL

bo-) Application No. 221.80

In the Matter of the Commission's investigation into) the operations of Bokins Van Lines, Inc., a corporation, to determine whether all operative rights relating to the transportation of new household goods,) Case No. 4529 fixtures and equipment, when intended for purpose of) resale, have been abandoned and should be revoked and) annulled.

- DANIEL P. BRYANT, for Rekins Van Lines, Inc., applicant in Application No. 22480 and respondent in Case No. 4529.
- JACKSON W. KENDALL, for Bekins Van Lines, Inc., also appearing for Bekins Van and Storage Company and Pokins Van and Storage, Inc., interested parties.
- E. L. H. BISSINGER, for Pacific Electric Railway, Southern Pacific Company, and Pacific Motor Trucking Company, Protestants.
- ALFRED P. PERACCA, for Max Venor Trucking, Protestant.

WALLACE K. DOWNEY, for Pacific Freight Lines and Keystone Express System, Protestants.

H. J. BISCHOFF, for Southern Collifornia Freight Lines and Southern California Freight Forwarders, Interested Parties.

For other appearances in Application No. 28490 see Decision No. 33013, dated April 16, 1940.

BY THE COMMISSION:

OPINION

In the proceeding of Application No. 22480, we kins van Lines, Inc., sought a certificate of public convenience and nocessity for the transportation of household goods and allied commodities over certain routes in territory not heretofore served; to conduct a service over alternate routes; and, for a certificate de novo in lieu of all other certificates of applicant.

Subsequent to public herrings held at Indio, Red Pluff, and Los Angeles, the matter was submitted and the Commission issued its order by Decision No. 33013, dated April 16, 1940, wherein applicant was granted an in lieu certificate over all of the important highway routes of the state.

Among other things the new certificate granted operating rights for the transportation of the following commodities:

1. Used Household Goods, viz; household or personal effects commonly used in a household, such as clothing, furniture, furnishings, radios, musical instruments, stoves and refrigerators;

- 2. Used Fixtures and Equipment, such as furniture, furnishings and other appurtenances commonly used in a store, office, museum, institution, hospital, or other establishment;

 Z. New Household Goods, Fixtures, and Fouriment as de-
- 3. New Household Goods, Fixtures and Equipment as described in items 1 and 2, when not intended for purpose of resale.

Applicant petitioned the Commission for a rehearing with respect to the commodity description only, contending that it had the right to transport new household goods, fixtures and equipment intended for resale purposes, over some of the routes in the territory heretofore served, and that the order of Decision No. 33013 was contrary to law in so far as it cancelled certain operative rights previously granted applicant.

The Commission granted the potition for rehearing (Decision No. 33135, dated May 22, 1940), in so far as Decision No.33013 placed a restriction upon the transportation of household goods, fixtures and equipment when new and intended for purpose of resale, in territory heretofore served under existing operative rights; and at the same time instituted its order of investigation (Case No. 4529) into the operations of Bekins Van Lines, Inc., for the purpose of determining whether any and all operative rights of said highway common carrier which may relate to the transportation of household goods, fixtures and equipment, when new and intended for purpose of resale, had been abandoned and should be revoked and annulled. A further public hearing was conducted before Examiner Malquist at Los Angeles on June 18, 1940, at which time it was ordered that both proceedings be heard on a consolidated record. At the conclusion of this hearing the matters were submitted on the filing of concurrent briefs, which have been received, and are now ready for decision.

In order that a complete understanding may be had regarding the certificated rights previously granted Bekins Van Lines, Inc., and its predocessor Bekins Fireproof Storage, it appears appropriate to consider former decisions and briefly review the records of these proceedings.

Bekins Van Lines, Inc. is a wholly owned and controlled subsidiary of Bekins Van and Storage Company, and was organized as a California corporation on November 11, 1924. The last annual report on file with this Commission by Bokins Van Lines, Inc., indicates the company operates about 100 pieces of equipment, and that its gross receipts in 1939 for the transportation of "household goods only" were in excess of 3300,000.

The first proceeding secking a certificate of public convenience and necessity for the transportation of household goods by the parties with whom we are here concerned, or their prodecessors in interest, was Application No. 9181, filed July 3, 1923, by Mile W. Bekins, Reed J. Bekins, Floyd R. Bekins, and Ruth M. Helt, co-partners, doing business under the firm name and style of Bekins Fireproof Storage. The Commission by order of Decision No. 12980, dated January 3, 1924, as amended by Decision No. 14052, dated September 12, 1924, granted a certificate for "** an automobile truck service as a common carrier of household goods, pianos, trunks and baggage, office furniture and equipment between the termini of San Francisco and Los Angeles and the termini of Onkland and Los Angeles, via both the coast route and the San Joaquín Vallot route. ***

The next proceeding was Application No. 9730. The Commission by order of Docision No. 13775, dated July 3, 1924, granted a certificate to the copartners for "* * * an automobile truck service as a common carrier of household goods, furniture, planes and other personal effects, including trunks and baggage * * *," between

San Francisco and cortain cities in northern California (1)

No mention is made in the above decisions to indicate either "now" or "used" articles in the commodity description and therefore applicant alleges it was authorized by this Commission to transport household goods, furniture and equipment when new and intended for purpose of resale.

Other decisions grenting certificates of public convenience and necessity to Bokins Van Lines, Inc., or its predecessors
in interest, include Decision No. 15085, dated June 22, 1925, and
Decision No. 27919, dated April 29, 1935. Among other things these
decisions authorized service as a highway common carrier over two
routes between Los Angeles and San Diego. However, applicant was
limited in one instance to "commodities not intended for resale"
and in the other instance to "secondhand (used) articles." The commodity description appearing in these decisions are therefore not in
controversy in these proceedings.

Having reviewed the pertinent operative rights previously granted to applicant and its predecessors in interest, we will now give consideration to the points raised on rehearing.

At the hearing hold in Nos Angelus on June 18, 1940, counsel for applicant stated that the Commission had apparently confused the testimony of witnesses at the original hearing held at Indio in Application No. 22480, wherein they testified that applicant did not solicit or transport new household goods when intended for

⁽¹⁾ Decision No. 13775 nuthorized the following routes to be served:

^{1.} Botween San Francisco, Oakland and Sacremento and intermediate points via Vallejo;

^{2.} Between San Francisco, Santa Rosa and intermediate points, via Sausalito, San Rafael and Petaluma;

^{3.} Betwoon San Francisco, Oakland, Perkoley, Alamoda, Picamont and Emeryville.

the purpose of resale, and that the witnesses in question would be recalled for the purpose of clarifying their previous testimeny. (2) He also stated that the Commission exceeded its authority in Decision No. 33013 wherein it took away rights that Pokins Van Lines, Inc. already had, and that the Commission had no jurisdiction in the matter. (3)

Mr. Jackson W. Kendall, a witness called on behalf of applicant at the hearing held at Indio, March 27, 1939, testified that he was manager of Bekins Van Lines, Inc.; that he had been employed by the company since December 1937; that while applicant desires to carry new furniture shipped directly to the ultimate consumer, "we have no desire to transport from the wholesaler or retailer, as far as any service we have, and we do not desire to transport it;" that, "we have no desire to encreach upon that traffic which we believe rightly belongs to the certificated truck carriers, and the operators who handle general commodities;" and, that applicant does not desire to transport new furniture for resale purposes. (Reporter's Transcript, pages 108, 172, 173, and 174).

"The record discloses that applicant is established in business as a transportation company specializing in the moving of used household goods and personal effects from residence to residence, and the moving of used office furniture and equipment from office to office, or store to store, and that the transportation of now furniture, household goods and office equipment is incidental to the above transportation. Applicant has indicated in this record that it does not now serve or choose to enter the field of transporting new furniture for the purpose of resale and it would appear that applicant should be restricted to the class of transportation it holds itself out to serve the public. Furthermore, it is desirable from both the standpoint of the applicant and the general public that an in lieu certificate should be issued on a system-wide basis with uniform operative rights to include the enlargement of operations as hereinafter provided, thus clarifying terriff commodity description and simplifying relations between the applicant and the public generally."

⁽²⁾ Mr. Henry M. Burgeson, a witness called on behalf of applicant at the hearing held at Indio, March 27, 1939, testified that he was the sales manager of the Rokins Van and Storage Company; that the sales department of Bekins Van and Storage Company sold the services of both Pekins Van Lines, Inc., and Bekins Van and Storage Company; that the various branches reported their activities to his office; that he had been employed by the company for a period of twenty years; that the services rendered by Bekins Van Lines, Inc., was a specialized service for the handling of personal effects and household goods; that applicant does not now solicit the handling of new furniture from wholesaler to retailer or dealer; that that is a service which applicant neither gives nor expects to give; and that the sales department does not solicit merchandise hauling of any kind. (Reporter's Transcript, pages 42 to 50).

Mr. Henry M. Burgeson being recalled as a witness, testified that during the time he was employed by Rekins Van and Storage
Company his duties did not include the solicitation of merchandise
hauling of any kind. During cross examination Mr. Burgeson testified that the statements which he had previously made at the hearing
held at Indio, March 27, 1939, were correctly transcribed by the
reporter; and that the sales department had never solicited merchandise hauling of new furniture, fixtures and equipment during the time
he was employed by Bekins Van and Storage Company. (4)

Mr. Jackson W. Kondall being recalled as a witness testified that he was not familiar with the operations of Bekins Van Lines, Inc., previous to his employment by the company in the fall of 1937; that the statements which he had proviously made at the hearing held at Indio, March 27, 1939, were correctly transcribed by the reporter, but that his testimony applied only to the new territory for which applicant was seeking a certificate of public convenience and necessity; that the application of Bekins Van Lines, Inc., not only requested a certificated right to transport used household goods, office furniture and equipment, but also sought authority to transport works of art, furnature, displays, exhibits, etc., without restriction as to new or used; that he was aware of the opposition of the rail lines and highway common carriers of general merchandise to the request for a cortificated right for the transportation of new merchandise, and therefore framed his testimony to fit the case; and that he did not intend to imply by his testimony that applicant had not transported now household goods intended for resale purposes.

⁽⁴⁾ The record discloses that witness Burgeson testified at the hearing held at Indio that he had been employed by Bekins Van and Storage Company for a period of twenty years. His testimony at the instant hearing indicated that he had changed employers and was now sales manager of Lyon Van and Storage Company.

Witness Kendall further testified that shortly after accepting employment with Bekins Van Lines, Inc., he had personally solicited the transportation of new furniture intended for purpose of resale, but the business was not secured because the rates set forth in the tariff were too high for this commodity; that he had sent out a letter addressed to all branch managers of Bekins Van and Storage Company, requesting them to furnish him with a list of new household goods, intended for purpose of resale, which had been handled through their respective branches and transported by Bekins Van Idnes, Inc.; and, that answers had been received and a statement prepared depicting this information.

Applicant introduced an exhibit (5) entitled "A representative list of shipments of new household goods, fixtures and equipment when intended for purpose of resale, moving in intrastate commerce in the State of California by Bekins Van Lines, Inc., from 1928 to 1940, inclusive." This is the only information contained in the exhibit which even indicates the commodity transported or the class of goods handled. During cross examination certain information was requested pertaining to the articles transported under different waybills, and witness Kendall was unable to testify of one instance where he knew the merchandise was new and intended for purpose of resale. The information as set forth in the exhibit lacks evidence of probative value.

Mr. Frederick F. Duffy testified for applicant that he was Secretary and General Manager of Tekins Van and Storage, Inc., proviously known as the Montecite Van and Storage Company, located at Santa Barbara, California; that his company had always solicited the transportation of both new and used furniture and equipment to all destinations in the United States; that his company was new agent for

⁽⁵⁾ Exhibit R-23.

Bokins Van Lines, Inc., but that he was not familiar with the actual operations of applicant or the extent of the certificated rights hold by it as a highway common carrier.

Two questions for determination in these proceedings are:

- 1. What operative rights were granted by this Commission to Bekins Van Lines, Inc., or its predecessors in interest, by virtue of Decisions Nos. 12980 and 13775, authorizing the transportation of household goods, fixtures and equipment, when new and intended for purpose of resale?
- 2. What has been the extent of service which Pokins Van Lines, Inc., or its predecessors in interest, have hold themselves out to serve the public, as indicated by tariffs on file with this Commission, and as represented by testimony of witnesses on behalf of applicant?

As stated previously the commodity description appearing in Decisions Nos. 12980 and 13775, does not expressly limit applicant to the transportation of "used" household goods, fixtures and equipment, or such articles new when not intended for purpose of resale. However, it does not necessarily follow that applicant was authorized to transport new merchandise of any kind, within the entegory of household goods. This interpretation, if carried to an ultimate conclusion, would authorize the transportation of unlimited commodities, crated or uncrated, packed or unpreked, and is not in keeping with the testimony and findings that applicant performed a specialized service to the public. (6)

⁽⁶⁾ See Decision No. 12980, Re In the Application of Milo W. Bekins, et al, 24 C.R.C. 292, wherein the Commission said: "Under all the conditions presented, it appears that the Bekins Fireproof Storago, with its ownership of twenty-six closed wans in addition to twenty-nine other trucks and eight trailers, with its financial ability to provide additional equipment for dedication to this service, and with its ability to house at either terminal goods desired to be held for later delivery, with its record of business already developed and with its established contact with the moving public in the four large cities mentioned in the application, is in favorable position to render a valuable service to the public by this form of transportation."

(Concluded on next page)

At the hearing held in Los Angeles on August 21, 1923, Application No. 9181, (7) Mr. Milo Bekins appeared as a witness for applicant's prodocessor in interest, Bekins Fireproof Storage. During cross examination he testified as follows: (8)

"* * * Wo will state, for example, Barker Brothers might want now furniture to be delivered to San Francisco, or to the house in Fresno; we don't care for that business" and, "* * * we have been in business for 25 years, and we have always held ourselves strictly to the handling of household goods * * *."

In Application No. 9993, filed April 18, 1924, as amended February 27, 1925, Mr. Mile Bekins appeared as a witness for the applicant, Bokins Firepress Storage, and testified that he did not propose to transport new furniture from factories; that no service was proposed or intended to be offered for the transportation of household goods intended for the purpose of resale; and, that the commodity description appearing in the application "* * * is the same classification that we have an our other franchises, and we don't intend to even held ourselves out to houl new furniture." (9)

Footnote (6) concluded:
Also Decision No. 13775, Re In the Application of Milo W.Rekins, ot al. 25 C.R.C. 130. The Commission here said: "In granting the cortificates provided for herein, the Commission has in mind the fact that the hauling of furniture, household goods and personal effects constitutes a form of transportation different in some respects from the transportation of general freight handled commercially. The private ewnorship of household goods and the personal intimacy which many articles may have toward the owner regardless of cost or commercial value, together with the breakable character and irreplaceable nature of some of the goods to be moved, justify the Commission in exercising more than ordinary latitude in the granting of certificates of public convenience and necessity for this class of operation, * * *."

⁽⁷⁾ All previous applications filed by applicant, or its predecessors in interest, requesting certificates of public convenience and necessity, together with all evidence submitted with those matters, were introduced in the present proceedings by reference and are a part of this record.

⁽⁸⁾ See Application No. 9181, Reportor's Transcript, pp. 84 and 85.

⁽⁹⁾ See Re In the Matter of the Application of Mile W. Bekins, et al, Application No. 9993, Reporter's Transcript, pp. 339 and 340.

In the instant application of this proceeding, Application No. 2240, Mr. Milo Bekins testified for applicant at the hearing held on March 27, 1059, at Indio, that the transportation of household goods was a highly specialized service requiring particularly trained men; that it was a unique and personalized service wherein "** * It is necessary to go into a home, and for instance, take china out of cabinets and pack it, and take books and pack them, * * take the furniture apart, such as beds, and mirrors for the dressers, and things of that type;" that the movement of goods is usually from house to house; that the delivery to the home and the accessorial service performed in connection with the movement of household goods distinguishes the services and makes it distinctly different from the usual common carrier service. (10)

We have previously discussed the testimony of other witnesses appearing on behalf of applicant and will now briefly consider the tariffs on file with this Commission by Rekins Van Lines,
Inc., and its predecessors in interest.

Local Freight Tariff C.R.C. #1 of Bekins Fireproof Storage, filed January 21, 1924, contained the following commodity description:

Rule 1. It is proposed under this thriff to handle only household goods and office furniture and equipment, packed or unpacked, trunks or boxes containing household goods or personal effects, planes, washing machines, sewing machines and other household equipment.

This tariff was issued to cover the routes authorized to be served by virtue of Decision No. 12980 and for which applicant alleges it was not limited to the transportation of either new or used articles. A reasonable interpretation of the above commodity description indicates that applicant was holding itself out to transport the goods and personal effects of a household. Articles or

⁽¹⁰⁾ See Application No. 22480, Reporter's Franscript, pp. 9 to 40.

furnishings carried in stock by a furniture manufacturor, wholesalor or retailer are generally carried under the heading of furniture and listed by the trade name of chair, sofa, table, desk, carpet, lamp, bed, dresser, stove, range, refrigerator, etc. They are not generally known as household goods until after they have become a part of a household. (11) It is apparent not only from the commodity description but also from the volume of the rates contained in the tariff, that the helding out of service to the public was of a specialized nature and not designed to cover the transportation of new crated goods from a manufacturor or wholesaler to a retailer.

Local Freight Tariffs C.R.C. #2 and #3 of Bekins Fireproof Storage contained almost identical commodity descriptions.

On July 1, 1925, Bokins Fireproof Storage filed Local Freight Tariff C.R.C. #4 to cover the routes authorized to be served in the order of Decision No. 15085 and for which applicant was limited to the transportation of articles not intended for the purpose of resale. The identical commedity description appearing in Tariffs C.R.C. #1, #2, and #3 also appeared in this tariff. This is a further indication on the part of applicant that it held itself out to transport only articles used in a household, or about to become a part of a household, and substantiates the above interpretation.

⁽¹¹⁾ Webster defines Furniture as - "Articles of convenience or decoration used to furnish a house, apartment, place of business, or of accommodation, etc., especially movable articles such as chairs, tables, bads, cabinets, desks, stoves, etc.; as parlor furniture; kitchen furniture; etc."

The Western Classification lists "Household Goods, as described in Note 2. (Note 2 - Ratings on Household Goods apply only on secondhand (used) Household or Personal Effects such as Clothing, Furniture or Furnishings for residences with not to exceed one Piano. * * * Ratings do not apply on * * goods shipped for sale or speculation)."

Bekins Van Lines, Inc., filed Local Freight Teriff C.R.C. #2 on January 16, 1930. This tariff cancelled C.R.C. #1 of Bokins Van Lines, Inc., also C.R.C. #2 and C.R.C. #4 of Bokins Fireproof Storage. The commodity description contained in this tariff is as follows:

Rulo 1 (a) Rates published herein apply only on household goods and office furniture, fixtures and equipment, packed or unpacked, trunks, boxes, barrels, crates or bundles containing household goods or personal effects, musical instruments, radics and other household equipment.

This tariff covered all routes served and named rates for the transportation of commodities from Santa Rose on the north to San Diego on the south. Inasmuch as the certificated right between Los Angeles and San Diego limited applicant to the transportation of commodities not intended for resale, and only one commodity description appeared in the tariff, it is apparent that Bekins van Lines, Inc., limited itself to serve the public over its entire system for such limited transportation service.

The above commodity description appearing in tariff C.R.C. #2 also appeared in subsequent tariffs C.R.C. #3 to #7, inclusive, during the period from 1930 to December 31, 1939.

On December 29, 1939, Bekins Van Lines, Inc., filed Local Freight Tariff C.R.C. #8 to be made offective January 1, 1940. The commodity description contained in this tariff was enlarged to include the commodity "furniture." (12) Upon cross examination Witness

⁽¹²⁾ The commodity description contained in tariff C.E.C. #8 is as follows: "Item No. 20 - (a) Rates named in this tariff are for the transportation of shipments as defined in Item No. 40 (h) series, from point of origin to point of destination, including loading into and unloading from carrier's equipment and apply on household goods, effice furniture, fixtures and equipment, trunks, boxes, barrels, crates or bundles containing household goods or personal effects, furniture, musical instruments, pianos, radios, and other household equipment packed or unpacked, * * *"

Kendall testified that tariff C.R.C. #8 was the first tariff of Bekins Van Lines, Inc., compiled under his direction and that he changed the commodity description because he wanted to include all commodities which the Commission had authorized in the various certificates granted to Bekins Van Lines, Inc., or its predecessor Bekins Fireproof Storage.

It is very apparent from the record of these proceedings that Rekins Van Lines, Inc., and its predecessor Rekins Fireproof Storage, have been performing a specialized service to the public for the transportation of household goods and personal effects over a period of more than forty years, and that during the past sixteen years a highway common carrier service has been performed under certificates granted by this Commission. Testimony of record during the latter period is quite consistent regarding the character of business. performed and the class of goods transported.

The testimony of witness Milo W. Bekins was presented on behalf of both Bekins Fireproof Storage and Bekins Van Linos, Inc. It is conclusive and consistent during the period of time from 1923 to 1939 regarding the character of business performed and the class of goods transported. The entire record of these proceedings definitely indicates that Bekins Van Lines, Inc., and its predecessor Bekins Fireproof Storage, have held themselves out to serve the public as a highway common carrier specializing in the transportation of only household goods, office furniture and equipment, personal effects and other household equipment moving from residence to residence, office to office, or between residence and storage warehouse. Any other service has been incidental to the above transportation.

On the other hand the evidence overwhelmingly shows that neither Bekins Van Lines, Inc., nor its predecessor Pekins Fireproof Storage, performed any transportation service as a highway common carrier, as defined in Section 2-3/4 of the Public Utilities Act, nor

as a transportation company, as defined in the Auto Truck Transportation Act (Stats. 1917, ch. 213, as amended) for the transportation of articles or merchandise when new, unused and intended for purpose of resale, moving from manufecturers, wholcoelers or retailers. It was established that neither applicant nor its predecessor in interest, ever proposed or desired to transport new furniture from manufacturers or stores, and that no solicitation had been made by the seles department of Bekins Van & Storage Company for new merchandise hauling of any kind. (13)

If Bekins Van Lines, Inc., or its predecessor Bekins Fireproof Storage ever possessed any authority under their certificates
to transport new or unused articles, such as furniture or furnishings
generally considered within the category of household goods, fixtures
and equipment, from manufacturers, wholesalers or retailers, when intended for purpose of resale, that right has never been exercised and
is therefore subject to revocation. Any such operative right must
therefore be deemed to have been waived and relinquished. The dotermination of the scope of these rights is clearly within the issues
presented in the investigation proceeding, and under Section 50-3/4
of the Public Utilities Act, the Commission is empowered, in a proper
case, after hearing, to "revoke, alter or amend" certificates such as
these involved here.

Based upon the record herein and the factual findings contained in the above opinion, it is ordered:

⁽¹³⁾ Witness Henry M. Burgeson testified that the sales department of Bekins Van and Storage Company sold the services of both Bekins Van Lines, Inc., and Bekins Van and Storage Company. (See Application No. 22480, Reporter's Transcript, pp. 42 to 50).

ORDER

A rehearing having been hold in Application No. 22480 and a hearing in Case No. 4529, the proceedings having been heard on a consolidated record in which evidence was received, briefs having been filed, the matters submitted, and the Commission now being fully advised:

IT IS HEREBY ORDERED that Decision No. 33013, as modified by Decision No. 33135, heretofore rendered in Application No. 22480, be and it is hereby affirmed.

IT IS HEREEV FURTHER ORDERED that any and all operative rights heretofore granted which did not expressly limit the transportation of household goods, fixtures and equipment to secondhand (used), or such articles now when not intended for purpose of resale, are hereby revoked and annualled.

The effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 3 day of November, 1940.