

19TH AND 20TH ANNUAL REPORTS

OF THE

Public Service Commission

FOR YEARS ENDING NOVEMBER 30, 1931
AND NOVEMBER 30, 1932



1932

COMMISSIONERS

MILTON R. STAHL, *Chairman*

ALMON ING

J. FRED HULL

JOHN H. PORTER

GEORGE H. ENGLISH

JEFFERSON CITY, MISSOURI

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MISSOURI PUBLIC SERVICE COMMISSION

COMMISSIONERS

MILTON R. STAHL, <i>Chairman</i>	St. Louis
MALMON ING.....	Poplar Bluff
JOHN H. PORTER.....	St. Louis
J. FRED HULL.....	Maryville
GEORGE H. ENGLISH.....	Kansas City

GENERAL OFFICE

DAVID P. JANES, <i>Secretary</i>	Moberly
MARY FIDLER, <i>Assistant Accountant</i>	Salisbury
MRS. HAZEL BENEFIEL, <i>File Clerk</i>	Jefferson City
WYLNA C. OWEN, <i>Stenographer</i>	Marshfield
DESSIE DAVIS, <i>Stenographer</i>	Moberly
LYDIA WILMESHERR, <i>Clerk</i>	Washington
LUCILE WRIGHT, <i>Stenographer</i>	Maryville
RACHEL BLOKER, <i>Stenographer</i>	Caruthersville

LEGAL DEPARTMENT

D. D. McDONALD, <i>General Counsel</i>	Lebanon
GEORGE C. MURRELL, <i>Asst. Counsel</i>	Hartville
HELEN WILLIAMS, <i>Stenographer</i>	Jefferson City
SCERETA WERTZ, <i>Stenographer</i>	Jefferson City

ENGINEERING DEPARTMENT

J. E. FLANDERS, <i>Chief Engineer</i>	Paris
MICHAEL DRAZEN, <i>Assistant Engineer</i>	St. Louis
W. K. FREUDENBERGER, <i>Assistant Engineer</i>	Columbia
H. E. ROBERTS, <i>Assistant Engineer</i>	Warrensburg
B. F. SCHABERG, <i>Assistant Engineer</i>	Columbia
G. H. RAY, <i>Assistant Engineer</i>	St. Louis
ROBERT M. ARBUCKLE, <i>Assistant Engineer</i>	St. Louis
B. I. BUCHANAN, <i>Assistant Engineer</i>	St. Louis
V. N. FRIEDMAN, <i>Assistant Engineer</i>	St. Louis
B. S. BASCOME, <i>Assistant Engineer</i>	
M. M. BURLEY, <i>Assistant Engineer</i>	Lebanon
V. L. WOLF, <i>Assistant Engineer</i>	St. Louis
R. A. O'NEILL, <i>Assistant Engineer</i>	Kirkwood
S. C. ALGERMISSEN, <i>Assistant Engineer</i>	Montgomery City
J. BEN BLANTON, <i>Assistant Engineer</i>	Sikeston
R. A. KIZER, <i>Assistant Engineer</i>	Kansas City
C. D. PRICE, <i>Assistant Engineer</i>	Independence
W. L. BUCHANAN, <i>Assistant Engineer</i>	St. Louis
H. G. BERKEY, <i>Assistant Engineer</i>	Kansas City
A. E. BODNER, <i>Assistant Engineer</i>	Webb City
M. J. BODNER, <i>Assistant Engineer</i>	Webb City
R. C. CRAVENS, <i>Assistant Engineer</i>	Bates City
C. M. CUSTER, <i>Assistant Engineer</i>	Moberly

S. J. CUNNINGHAM, Assistant Engineer	Kansas City
C. S. DOUGLAS, Assistant Engineer	Independence
G. R. GILCREST, Assistant Engineer	Rolla
I. L. HOLLEMAN, Assistant Engineer	Carthage
J. I. JONES, Assistant Engineer	Kansas City
FORREST E. JONES, Assistant Engineer	Kansas City
C. E. MCCORMICK, Assistant Engineer	Brookfield
CARL M. OLIVET, Assistant Engineer	Webb City
B. P. ROUSE, Assistant Engineer	Neosho
H. SCHUMACHER, Assistant Engineer	Columbia
JOHN H. SLEEPER, Assistant Engineer	Kansas City
A. C. BALLY, Assistant Engineer	Cape Girardeau
L. F. BARON, Assistant Engineer	Oseeola
J. J. SHIPLEY, Assistant Engineer	Kansas City
L. E. BATY, Assistant Engineer	Carthage
H. W. BLACKWELL, Assistant Engineer	Columbia
THOS. CHENOWETH, Assistant Engineer	Kansas City
K. R. CHESTNUT, Assistant Engineer	Eldon
E. A. DIESTLER, Assistant Engineer	Columbia
B. E. DOLCH, Assistant Engineer	Palmyra
L. T. DODSON, Assistant Engineer	Carthage
K. L. DOOLEY, Assistant Engineer	Joplin
W. E. EDMONDS, Assistant Engineer	Brookfield
W. R. INSLEY, Assistant Engineer	Liberty
L. E. JONES, Assistant Engineer	Saverton
W. M. LABASTILLE, Assistant Engineer	Rolla
G. E. LINDERSMITH, Assistant Engineer	Carl Junction
C. L. MARTIN, Assistant Engineer	St. Joseph
E. L. MANSON, Assistant Engineer	Dexter
HUGH F. McLERoy, Assistant Engineer	Webster Groves
J. W. PRICE, Assistant Engineer	St. Louis
V. A. REA, Assistant Engineer	Joplin
D. W. SIMMONS, Assistant Engineer	Cameron
W. C. SIMMONS, Assistant Engineer	Chillicothe
L. E. WILLIAMS, Assistant Engineer	Grain Valley
GEO. J. WILLIER, Assistant Engineer	Springfield
R. AVERILL, Assistant Engineer	Kahoka
R. E. CHASE, Assistant Engineer	Macon
J. V. OLIVER, Assistant Engineer	Columbia
I. A. CHESTER, Assistant Engineer	Lebanon
F. L. ENDEBOCK, Assistant Engineer	St. Joseph
SINCLAIR MAINLAND, Assistant Engineer	Hannibal
OLIVER E. MARTIN, Assistant Engineer	Trenton
GUIDO MOSS, Assistant Engineer	Cole Camp
HUGH NISBET, JR., Assistant Engineer	Columbia
H. J. REIDER, Assistant Engineer	Kansas City
J. M. STAUFFER, Assistant Engineer	Springfield
HAMILTON TALBOTT, Assistant Engineer	Carthage
J. W. TAYLOR, Assistant Engineer	St. Louis
BANCROFT TERRY, Assistant Engineer	Steele
M. S. BODINE, JR., Assistant Engineer	Paris
ERNEST D. CARTER, Assistant Engineer	Troy
B. COHEN, Assistant Engineer	Poplar Bluff
G. B. FASKEN, Assistant Engineer	Senath

C. D. FIELD, <i>Assistant Engineer</i>	Richards
VERNE GALBRAITH, <i>Assistant Engineer</i>	Jefferson City
H. F. HANING, <i>Assistant Engineer</i>	Browning
MINOR HENRY, <i>Assistant Engineer</i>	Joplin
F. P. FINTON, <i>Assistant Engineer</i>	Webster Groves
RICHARD KIESELBACK, <i>Assistant Engineer</i>	Jefferson City
E. G. NIELSON, <i>Assistant Engineer</i>	
F. W. PEARSON, <i>Assistant Engineer</i>	Eldon
H. E. PRATER, <i>Assistant Engineer</i>	Wesco
V. N. PYLE, <i>Assistant Engineer</i>	Columbit
J. H. RIESS, <i>Assistant Engineer</i>	Charleston
R. G. SCHWAMB, <i>Assistant Engineer</i>	New Haven
M. E. SUBRE, <i>Assistant Engineer</i>	Rolla
G. E. STRICKER, <i>Assistant Engineer</i>	Morrison
L. R. TOLSON, <i>Assistant Engineer</i>	Hartville
W. R. TOWSE, <i>Assistant Engineer</i>	Macon
H. E. WOMACK, <i>Assistant Engineer</i>	Southwest City
MARGUERITE GILLOGLY, <i>Clerk</i>	Drexel
EVA HAMILTON, <i>Clerk</i>	Joplin
MARY KIELEY, <i>Stenographer</i>	Jefferson City
FERN SWEARINGEN, <i>Stenographer</i>	Centertown
ROSE CARRON, <i>Stenographer</i>	Bloomsdale

TRANSPORTATION DEPARTMENT

V. E. SMART, <i>Chief Rate Expert</i>	Jefferson City
H. F. CHOLET, <i>Assistant Rate Expert</i>	Jefferson City
B. R. GILLESPIE, <i>Assistant Rate Expert</i>	Lexington
MARTHA HEISINGER, <i>Stenographer</i>	Jefferson City

ACCOUNTING DEPARTMENT

H. W. ROSS, <i>Chief Accountant</i>	Jefferson City
A. L. HOULEHAN, <i>Assistant Accountant</i>	Jefferson City
GEO. B. COLEMAN, <i>Assistant Accountant</i>	St. Louis
H. B. LYSAGHT, <i>Assistant Accountant</i>	St. Joseph
A. J. BARAGIOLA, <i>Assistant Accountant</i>	St. Louis
M. J. McDONOUGH, <i>Assistant Accountant</i>	St. Louis
B. D. CORNETT, <i>Assistant Accountant</i>	Warrensburg
L. C. SEVIER, <i>Assistant Accountant</i>	Moberly
CHAS. S. WARREN, <i>Assistant Accountant</i>	Independence
JOHN O. FREDMAN, <i>Assistant Accountant</i>	Kansas City
J. D. SENEVEY, <i>Assistant Accountant</i>	Jefferson City
H. P. NIEDERMEYER, <i>Assistant Accountant</i>	Columbia
H. W. MONTGOMERY, <i>Assistant Accountant</i>	Skidmore
HAZEL GOVE, <i>Clerk</i>	Jefferson City

ELECTRIC LIGHT, GAS, TELEPHONE, TELEGRAPH, HEAT AND WATER DEPARTMENT

R. E. DUFFY, <i>Chief Electric and Mechanical Engineer</i>	Greenfield
E. F. JOHNSON, <i>Asst. Elec. and Mechanical Engineer</i>	Columbia
GEO. P. PLAYER, <i>Telephone Expert</i>	Westphalia
LUCILLE HOLLERORTH, <i>Clerk</i>	Jefferson City
ADELE TRIPPENSEE, <i>Stenographer</i>	Jefferson City
ANN ROOT, <i>Stenographer</i>	Jefferson City

MOTOR BUS DIVISION

EDWIN S. AUSTIN, <i>Supervisor of Motor Bus Department</i>	Jefferson City
HERBERT H. HOFF, <i>Supervisor of Motor Truck Department</i>	Perryville
ARTHUR S. NELSON, <i>Bus and Truck Inspector</i>	Kansas City
O. W. BUESCHER, <i>Bus and Truck Inspector</i>	Columbia
COIN COMBS, <i>Bus and Truck Inspector</i>	Springfield
ELIZABETH HAGER, <i>Clerk</i>	Jefferson City
ETHELYN KATZER, <i>Stenographer</i>	Jefferson City
VIRGINIA POLSON, <i>Stenographer</i>	Jefferson City
ROSALYN TANNER, <i>Stenographer</i>	Jefferson City

OFFICIAL COMMISSION REPORTERS

MARY LUTKEWITTE, <i>Official Reporter</i>	Jefferson City
GERTRUDE NELSON, <i>Official Reporter</i>	Jefferson City
ELLA CREEL, <i>Official Reporter</i>	Hutton Valley
GRACE SCOTT, <i>Stenographer</i>	Jefferson City
CLARA MELLER, <i>Stenographer</i>	Jefferson City
ALMA GOLDAMMER, <i>Stenographer</i>	Jefferson City

JANITORS

ANDY RICHMOND.....	Jefferson City
C. W. WILLIAMS.....	Caruthersville

General Offices: First Floor, Capitol Building,
Jefferson City, Mo.

HISTORICAL

Appointments—Time of Service of Each Commissioner—Membership of the Commission to December 1, 1932

The law creating the Missouri Public Service Commission was introduced in the legislature by Senator William G. Busby of Carroll County, and became effective April 15, 1913. By its provisions the Commission consists of five (5) members appointed by the Governor, with the advice and consent of the Senate, one of whom shall be designated by the Governor to be Chairman of the Commission. The term of office is six years. Vacancies on the Commission are filled by the Governor for the unexpired term.

Effective April 15, 1913, there were appointed:

FRANK A. WIGHTMAN, railroad expert, of Monett, Mo., for a term of two years, ending April 15, 1915.

JOHN KENNISH, lawyer, of Kansas City, Mo., for a term of four years, ending April 15, 1917.

HOWARD B. SHAW, electrical engineer, of Columbia, Mo., for a term of four years, ending April 15, 1917.

JOHN M. ATKINSON, lawyer, Chairman, of Doniphan, Mo., for a term of six years, ending April 15, 1919.

WILLIAM F. WOERNER, lawyer, of St. Louis, Mo., effective July 3, 1913, for a term ending April 15, 1919.

WILLIAM F. WOERNER, resigned, effective November 18, 1914; and EDWIN J. BEAN, lawyer, of DeSoto, Mo., effective November 19, 1914, was appointed for the unexpired term, ending April 15, 1919.

FRANK A. WIGHTMAN, resigned, effective April 24, 1915; and EUGENE MCQUILLIN, lawyer, of St. Louis, Mo., effective April 24, 1915, was appointed for a term ending April 15, 1921.

JOHN M. ATKINSON, Chairman, resigned, effective May 1, 1916; and WILLIAM G. BUSBY, lawyer, of Carrollton, Mo., effective May 1, 1916, was appointed for the unexpired term, ending April 15, 1919, and named Chairman of the Commission.

EUGENE MCQUILLIN, resigned, effective February 21, 1917; and DAVID E. BLAIR, lawyer, of Joplin, Mo., effective February

26, 1917, was appointed for the unexpired term, ending April 15, 1921. Resigned August 23, 1920, effective immediately.

NOAH W. SIMPSON, lawyer, of LaBelle, Mo., effective April 15, 1917, was appointed for a term ending April 15, 1923, vice John Kennish, whose term had expired.

EDWARD FLAD, civil engineer, of St. Louis, Mo., effective April 15, 1917, was appointed for a term ending April 15, 1923, vice Howard B. Shaw, whose term had expired. Resigned, effective October 11, 1921.

A. J. O'REILLY, civil engineer, of St. Louis, Mo., effective October 11, 1921, was appointed for the unexpired term ending April 15, 1923.

JOHN KENNISH, lawyer, of Kansas City, Mo., effective August 23, 1920, was appointed for the unexpired term, ending April 15, 1921. Resigned, effective December 1, 1920; and

JOHN A. KURTZ, lawyer, of Kansas City, Mo., effective December 1, 1920, was appointed for the unexpired term ending April 15, 1921. May 1, 1921, was appointed for a full term of six years, ending April 15, 1927, and named Chairman of the Commission, vice William G. Busby, resigned. Died June 17, 1923; and

MERRILL E. OTIS, lawyer, of St. Joseph, Mo., effective June 23, 1923, was appointed for the unexpired term, ending April 15, 1927, and named as Chairman of the Commission. Resigned, effective August 15, 1924.

WILLIAM G. BUSBY, Chairman, resigned, effective May 1, 1921; and

HUGH MCINDOE, lawyer, of Joplin, Mo., was appointed for the unexpired term, ending April 15, 1925. Died May 28, 1923; and

RICHARD H. MUSSER, lawyer, of Plattsburg, Mo., effective June 16, 1923, was appointed for the unexpired term, ending April 15, 1925.

THOMAS J. BROWN, lawyer of Charleston, Mo., effective June 13, 1923, was appointed for a term ending April 15, 1929, vice Noah W. Simpson, whose term expired April 15, 1923. Named Chairman of the Commission, effective August 30, 1924, to succeed Merrill E. Otis, Chairman, resigned, effective August 30, 1924.

ALMON ING, lawyer, of Poplar Bluff, Mo., effective January 14, 1925, was appointed for the unexpired term, ending April 15, 1927, of Merrill E. Otis, resigned. Reappointed during recess

of legislature for full term from April 15, 1927, to April 15, 1933. Named Chairman, effective October 1, 1928, vice Thomas J. Brown, Chairman, resigned.

D. F. CALFEE, lawyer, of Jefferson City, Mo., was appointed January 15, 1925, for the unexpired term, ending April 15, 1929, for A. J. O'Reilly, assuming the duties February 4, 1925.

S. M. HUTCHISON, lawyer, of Kansas City, Mo., effective April 15, 1925, was appointed for a term ending April 15, 1931, vice R. H. Musser, resigned.

J. H. PORTER, engineer, of St. Louis, Mo., effective June 26, 1925, was appointed for a term ending April 15, 1931, vice Edwin J. Bean, resigned. Reappointed April 15, 1931, for a term of six years ending April 15, 1937.

J. P. PAINTER, lawyer, of Milan, Mo., effective October 1, 1928, was appointed for a term ending April 15, 1929, vice Thomas J. Brown, resigned.

MILTON R. STAHL, lawyer, of St. Louis, Mo., effective May 29, 1929, was appointed for the term ending April 15, 1935, and named as Chairman of the Commission, vice D. F. Calfee, whose term expired April 15, 1929.

J. FRED HULL, editor, of Maryville, Mo., effective May 29, 1929, was appointed for the term ending April 15, 1935, vice J. P. Painter, whose term expired April 15, 1929.

GEORGE H. ENGLISH, lawyer, of Kansas City, Mo., effective June 15, 1931, was appointed for a term ending April 15, 1937, vice S. M. Hutchison, whose term expired April 15, 1931.

Membership of the Commission for the period of time named is as follows:

From April 15, 1913, to July 3, 1913:

JOHN M. ATKINSON, *Chairman*;
JOHN KENNISH,
HOWARD B. SHAW,
FRANK A. WIGHTMAN.

From July 3, 1913, to November 18, 1914:

JOHN M. ATKINSON, *Chairman*;
JOHN KENNISH,
HOWARD B. SHAW,
FRANK A. WIGHTMAN,
WILLIAM E. WOERNER.

From November 18, 1914, to April 24, 1915:

JOHN M. ATKINSON, *Chairman*;

JOHN KENNISH,

HOWARD B. SHAW,

FRANK A. WIGHTMAN,

EDWIN J. BEAN.

From April 24, 1915, to May 1, 1916:

JOHN M. ATKINSON, *Chairman*;

JOHN KENNISH,

HOWARD B. SHAW,

EDWIN J. BEAN,

EUGENE MCQUILLIN.

From May 1, 1916, to February 21, 1917:

WILLIAM G. BUSBY, *Chairman*;

JOHN KENNISH,

HOWARD B. SHAW,

EDWIN J. BEAN.

From February 26, 1917, to April 15, 1917:

WILLIAM G. BUSBY, *Chairman*;

JOHN KENNISH,

HOWARD B. SHAW,

EDWIN J. BEAN,

DAVID E. BLAIR.

From April 15, 1917, to August 23, 1920:

WILLIAM G. BUSBY, *Chairman*;

EDWIN J. BEAN,

DAVID E. BLAIR,

NOAH W. SIMPSON,

EDWARD FLAD.

From August 23, 1920, to December 1, 1920:

WILLIAM G. BUSBY, *Chairman*;

EDWIN J. BEAN,

NOAH W. SIMPSON,

EDWARD FLAD,

JOHN KENNISH.

From December 1, 1920, to May 1, 1921:

WILLIAM G. BUSBY, *Chairman*;

EDWIN J. BEAN,

NOAH W. SIMPSON,

EDWARD FLAD,

JOHN A. KURTZ.

From May 1, 1921, to October 11, 1921:

JOHN A. KURTZ, *Chairman*;
EDWIN J. BEAN,
NOAH W. SIMPSON,
EDWARD FLAD,
HUGH McINDOE.

From October 11, 1921, to April 15, 1923:

JOHN A. KURTZ, *Chairman*;
EDWIN J. BEAN,
NOAH W. SIMPSON,
HUGH McINDOE,
A. J. O'REILLY.

From April 15, 1923, to June 13, 1923:

JOHN A. KURTZ, *Chairman*;
EDWIN J. BEAN,
HUGH McINDOE,
A. J. O'REILLY.

From June 13, 1923, to June 16, 1923:

JOHN A. KURTZ, *Chairman*;
EDWIN J. BEAN,
A. J. O'REILLY,
THOMAS J. BROWN.

From June 16, 1923, to June 17, 1923:

JOHN A. KURTZ, *Chairman*;
EDWIN J. BEAN,
A. J. O'REILLY,
THOMAS J. BROWN,
RICHARD H. MUSSER.

From June 17, 1923, to June 23, 1923:

EDWIN J. BEAN,
A. J. O'REILLY,
THOMAS J. BROWN,
RICHARD H. MUSSER.

From June 23, 1923, to August 15, 1924:

MERRILL E. OTIS, *Chairman*;
EDWIN J. BEAN,
A. J. O'REILLY,
THOMAS J. BROWN,
RICHARD H. MUSSER.

From August 15, 1924, to January 14, 1925:

THOMAS J. BROWN, *Chairman*;

EDWIN J. BEAN,

A. J. O'REILLY,

RICHARD H. MUSSER.

From January 14, 1925, to February 4, 1925:

THOMAS J. BROWN, *Chairman*;

EDWIN J. BEAN,

A. J. O'REILLY,

RICHARD H. MUSSER,

ALMON ING.

From February 4, 1925, to March 2, 1925:

THOMAS J. BROWN, *Chairman*;

EDWIN J. BEAN,

ALMON ING,

D. F. CALFEE,

RICHARD H. MUSSER.

From March 2, 1925, to April 17, 1925:

THOMAS J. BROWN, *Chairman*;

ALMON ING,

EDWIN J. BEAN,

D. F. CALFEE.

From April 17, 1925, to June 15, 1925:

THOMAS J. BROWN, *Chairman*;

EDWIN J. BEAN,

ALMON ING,

D. F. CALFEE,

S. M. HUTCHISON.

From June 15, 1925, to June 26, 1925:

THOMAS J. BROWN, *Chairman*;

ALMON ING,

D. F. CALFEE,

S. M. HUTCHISON.

From June 26, 1925, to December 1, 1926:

THOMAS J. BROWN, *Chairman*;

ALMON ING,

D. F. CALFEE,

S. M. HUTCHISON,

J. H. PORTER.

From December 1, 1926, to October 1, 1928:

THOMAS J. BROWN, *Chairman*;

ALMON ING,

D. F. CALFEE,

S. M. HUTCHISON,

J. H. PORTER.

From October 1, 1928, to June 1, 1929:

ALMON ING, *Chairman*;

D. F. CALFEE,

S. M. HUTCHISON,

J. H. PORTER,

J. P. PAINTER.

From June 1, 1929, to June 15, 1931:

MILTON R. STAHL, *Chairman*;

ALMON ING,

S. M. HUTCHISON,

J. H. PORTER,

J. FRED HULL.

From June 15, 1931, to November 30, 1932:

MILTON R. STAHL, *Chairman*;

ALMON ING,

J. H. PORTER,

J. FRED HULL,

GEORGE H. ENGLISH.

LETTER OF TRANSMITTAL

STATE OF MISSOURI

PUBLIC SERVICE COMMISSION

Jefferson City, Mo.

To His Excellency, Henry S. Caulfield, Governor of Missouri:

Dear Sir: I have the honor to transmit the Nineteenth and Twentieth Annual Reports of the Public Service Commission of Missouri, covering the biennium from November 30, 1930, to November 30, 1932, inclusive.

Very respectfully yours,

MILTON R. STAHL, *Chairman.*

STATE OF MISSOURI

19th AND 20th ANNUAL REPORTS
OF THE

PUBLIC SERVICE COMMISSION

STATEMENT BY THE COMMISSION

The biennial period just closed has been one of unusual activity. The principal cause of this increased activity was the extension of the jurisdiction of the Commission to the regulation of motor freight carriers by the last General Assembly. The following table giving the number of formal cases filed with the Commission in each biennial period since the creation of the Commission shows the greatly increased work of the Commission during this biennium:

1913-14.....	588	1922-24.....	756
1914-16.....	537	1924-26.....	836
1916-18.....	740	1926-28.....	1,158
1918-20.....	941	1928-30.....	1,154
1920-22.....	628	1930-32.....	3,039

During the biennium the Commission issued 2,124 orders, more orders than were issued during any biennium in its existence. This, however, does not indicate accurately the volume of business handled. On November 30, 1932, there were 1,009 truck cases in which the Commission had reviewed the record and notified the applicant that the Commission was prepared to act upon his application but in which orders were held while waiting for applicant to pay fees, file insurance, rates, or certificates of mileages. Orders in a large number of these cases will be issued during the month of December.

The Commission during this biennium has been very active in the appraisal and audit of public utility properties. The State Treasury is reimbursed for the cost of making such appraisals and audits by the utilities under investigation. The following table of fees collected from utilities during the last four biennial periods for appraisals and audits, indicates our increased activity in this work:

1924-26.....	\$85,018.74
1926-28.....	67,218.59
1928-30.....	315,371.02
1930-32.....	627,861.40

To enable the Commission to make appraisals and audits, the Legislature makes an appropriation out of fees to be earned. The ability of the Commission to do this work is limited by the amount appropriated. During the biennium the Commission expended about 73 per cent of its appropriation. This appropriation is not a burden upon the general revenues of the state, and the Commission believes that a continuation of such appropriation is necessary to the efficiency of the department. It is the policy of the Commission ultimately to appraise and audit all the major utilities in the state in order to fix their value for rate-making purposes, adjust rates if necessary, and have available information to enable it to decide expeditiously in the future matters affecting rates and security issues. If the Commission can value the property of all the major utilities in the state, it can, by accounting control and the use of index figures, speedily ascertain the fairness of rates at any given time.

The income of the Commission from the approval of bond issues, notes and other evidences of indebtedness remains at approximately the same level as in the preceding biennium, but is considerably reduced from the income realized from this source from 1925 to 1928. Financial conditions have compelled utilities to curtail additions and betterments and the money market has discouraged financing. The following table shows the fees earned by the Commission from this source for the last four bienniums:

1924-26.....	\$34,126.30
1926-28.....	36,794.10
1928-30.....	22,692.40
1930-32.....	23,116.65

A substantial portion of the appropriation of the Commission by the last General Assembly was held up when the revenues of the state made it apparent that a large deficit would occur unless economies were instituted. This holdup forced the Commission to adopt measures of economy and prevented the handling of business as expeditiously as would have been possible if the entire appropriation had been available.

In our last biennial report we recommended that an appropriation be made to enable the Commission to employ inspectors to investigate utility service throughout the state. The last General Assembly appropriated sufficient funds for the employment of two inspectors. The Commission employed an ex-

perienced telephone expert and an electrical engineer. These inspectors have done excellent work, the nature of which is commented on at greater length in the report of the departments. The inspectors prevented the docketing of many informal complaints by remedying defects in service before complaint was made. During the biennium 233 informal complaints were filed and 213 disposed of against 345 filed and 273 disposed of in the preceding biennium. The work of the inspectors has improved relations between the utilities and the public, and improved the service, particularly in the small plants unable to obtain skilled engineering advice. The Commission believes that the continuation of the appropriation for the maintenance of these inspectors will be a saving of many thousands of dollars to the state by making it unnecessary to hold lengthy and expensive hearings.

While the Commission possesses no judicial powers, it must necessarily, in the exercise of its administrative function, consider, discuss and decide questions which involve the construction of the statutes under which it operates and the application of such statutes to the facts of cases which come before the Commission. Several decisions of the Commission during the past biennium have involved questions of such novelty and public interest that mention of some of them in this report seems appropriate.

The case of *Re Cities Service Gas Company* (P. U. R. 1931E 11) dealt with the troublesome question of regulation of a natural gas pipeline claiming to be exempt from our jurisdiction as engaged exclusively in interstate commerce. Industrial gas transported by it was marketed through an associated corporation, the pipeline receiving a fixed commission per thousand cubic feet so distributed. The Commission held, on the facts adduced, that the associated company was the agent for the pipeline and that the pipeline was subject to regulation by the Commission as being engaged in the distribution of industrial gas in the State.

In the case of *City of Mexico vs. Missouri Power and Light Company* (not yet published in any reports), the Commission considered the status of a utility which continued to serve a municipality after the expiration of its franchise and held that the Commission would at the City's request require the utility to incur some capital expense to improve its service, notwithstanding the expiration of its franchise. Several Commissioners

arrived at the same result by different lines of reasoning and one Commissioner dissented.

In *City of Fulton vs. Panhandle Eastern Pipeline Company* (not yet reported), the Commission held that a gas pipeline company was engaging in discrimination by selling gas at wholesale to privately owned distributing utilities and refusing to sell to a municipality to distribute the gas through its own system. And though the Pipeline Company claimed to be outside our jurisdiction as engaged in interstate commerce only, the Commission held that since the pipeline company owned all the stock of and completely controlled a subsidiary distributing company, the two companies constituted in effect one common enterprise and both companies were under our jurisdiction.

In *Public Service Commission of Missouri vs. Missouri Utilities Company*, P. U. R. 1932E 449, a valuation and rate case in which substantial rate reductions were ordered, the Commission held that it was its duty to provide for the ascertainment of the fair value of the property used and useful in the service of each of the many municipalities served by the company. The Commission prescribed a method of apportioning the value of the property used in common by the whole system among the municipalities served. The method took into account both the amount of the current sold and the demand in a manner which, as the Commission believes, provided a fairer allocation than this or other Commissions had previously used in similar cases. Other important developments of the law and procedure of regulation could well be mentioned if space permitted.

The fees collected by the Commission and paid into the State Treasury, since November 30, 1930, up to December 1, 1932, and the sources of such fees are as follows:

December, 1930.....	\$19,812.01
For the year 1931.....	329,230.45
First 11 months of 1932.....	425,661.65
	<hr/>
Total.....	\$774,704.11

This amount was collected for the following accounts:

Audits and appraisals.....	\$627,861.40
Fees for bond issues.....	23,116.65
Miscellaneous collections.....	9,611.52
Bus license fees.....	78,948.00
Truck license fees.....	35,166.54
	<hr/>
Total.....	\$774,704.11

During the biennium the Commission and the people of the State suffered a great loss by the death of the head of our telephone department, Mr. W. W. Johnson. He had been on the staff since 1919 and by his high character and ability had earned and gained universal respect.

No statement by the Commission would be complete without calling attention to the faithful services of the Commission's staff. The turnover in the Commission's force has been very small. A large percentage of our employees have been with the Commission for ten years or more.

Reports of the separate departments of the Commission follow:

ENGINEERING DEPARTMENT

The department during this period has consisted on an average of ninety engineers, clerks and stenographers, under the supervision of the Chief Engineer. One assistant engineer and one clerk, who also acts as stenographer, are assigned to the Chief Engineer's office in Jefferson City, and all others are engaged directly in investigation and appraisals of utility properties throughout the state.

The duties of the Engineering Department consist of:

(a) Appraisal of utility properties ordered by the Commission.

(b) All matters relating to investigation of accidents on steam and electric railways.

(c) All matters relating to protection, alteration and elimination of grade crossings.

(d) Inspection of steam and electric railway properties.

(e) Investigation to determine necessity and safety of switch and sidetrack connections.

(f) All matters relating to steam and electric railway signal systems and interlocking plants.

(g) All matters relating to street railway traffic studies and services.

(h) Investigations relative to applications for certificates of convenience and necessity, filed by steam and electric railways.

(i) All drainage investigations.

(j) All investigations relative to filtration of water supplies, intakes, etc.

(k) Introduction of testimony and assisting in examination of witnesses in engineering matters.

(l) Assisting in preparation of reports involving engineering problems.

APPRAISAL OF PROPERTIES OF PUBLIC UTILITIES

During the years 1931 and 1932, the engineering department has completed appraisals of utility properties, the cost of reproduction of which exceeds \$28,000,000. These properties are as follows:

Missouri Edison Company,
Missouri Electric Power Company,
Empire District Electric Company,
Miami Power and Light Company,
United Telephone Company—Sarcoxie Exchange,
United Telephone Company—Windsor Exchange,
Inter-County Telephone Company—13 Exchanges,
Missouri General Utilities Company,
Missouri Southern Public Service Company,
Lawrence County Water, Light and Cold Storage Company,
United Telephone Company—Oak Grove Exchange,
Middle States Utilities Company—Bethany Telephone Exchange,
Southwestern Bell Telephone Company—Norborne Exchange,
Southwestern Bell Telephone Company—Bowling Green Exchange,
Southwestern Bell Telephone Company—Hickman Mills Exchange,
St. Joseph Water Company,
Carthage Gas Company,
Webb City and Carterville Gas Company.

In addition to the appraisals completed the department has prepared cost trends and has adjusted the costs of reproduction to present day costs in the following appraisals:

East Missouri Power Company,
Missouri Edison Company,
Missouri Electric Power Company,
Empire District Electric Company,
Lawrence County Water, Light and Cold Storage Company,
Missouri General Utilities Company,
Missouri Southern Public Service Company,
St. Joseph Water Company.

The cost of reproduction as of 1932 of the above properties was found to be \$2,725,800 less than the same cost in the original appraisals, indicating approximately a ten per cent decline in construction costs of utility properties since 1929 and early 1930.

The department is now engaged on the appraisal of the following utility properties:

Missouri Power and Light Company, serving 142 communities with electricity, and a number with gas, (artificial and natural) and water.

St. Joseph Railway, Light, Heat and Power Company, serving electricity, street railway, and heat in the City of St. Joseph, and electricity in surrounding territory.

Union Electric Light and Power Company, serving electricity and heat in the City of St. Louis and electricity in the counties of St. Louis, Jefferson, Franklin, St. Francois and St. Charles.

Arkansas-Missouri Power Company.

Missouri Public Service Company, serving approximately 75 communities with electricity, and a number with gas and water.

A number of appraisals made by company or consulting engineers were checked and verified by the department for rate and financial purposes.

INVESTIGATION OF ACCIDENTS ON STEAM AND ELECTRIC RAILWAYS

All serious accidents either to passengers, employees, or equipment are reported to the Commission by telegraph, and all accidents in connection with operations of the companies are reported each month on special forms provided by the Commission.

A careful investigation is made of all grade crossing accidents which includes precise surveys and photographs. The purpose of these investigations is to determine the cause, and ascertain if protective devices such as signals, flagmen, etc., are necessary.

In connection with the Commission's desire to cooperate in grade crossing matters with the railroad companies operating in the State, the department has supervised the survey of all grade crossings in the State. This survey is being constantly revised as changes are made in the physical characteristics of the various crossings. These surveys are being carefully examined and it is thought that a large number of grade crossings may be eliminated as a result of this work.

During the period December 1, 1930, to November 30, 1932, investigations and recommendations were made and plans approved leading to the following changes in the railroad crossing situation:

New grade crossings established.....	74
New tracks constructed across existing grade crossings....	3
Viaducts constructed over tracks.....	30
New viaducts replacing old viaducts.....	5
Subways constructed under tracks.....	15
Grade crossings eliminated by viaducts or subways.....	17
Grade crossings eliminated by changes in roads.....	17
Grade crossings provided with special signal protection...	22

During the period November 1, 1930, to October 31, 1932, all accidents upon steam and electric railways were compiled and disclose the following:

ALL ACCIDENTS NOVEMBER 1, 1930, TO OCTOBER 31, 1931.

	Steam.		Electric.		Total.	
	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.
Passengers.....	0	100	6	1,311	6	1,411
Employees.....	15	391	2	41	17	432
Trespassers.....	91	111	0	2	91	113
*Non-trespassers....	50	142	32	1,014	82	1,156
Totals.....	156	744	40	2,368	196	3,112

*Includes grade crossing accidents.

ALL ACCIDENTS NOVEMBER 1, 1931, TO OCTOBER 31, 1932.

	Steam.		Electric.		Total.	
	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.
Passengers.....	1	80	2	938	3	1,018
Employees.....	14	267	3	14	17	281
Trespassers.....	106	152	1	4	107	156
*Non-trespassers....	44	113	18	738	62	851
Totals.....	165	612	24	1,694	189	2,306

*Includes grade crossing accidents.

GRADE CROSSING ACCIDENTS—STEAM RAILWAYS—NOVEMBER 1, 1930, TO OCTOBER 31, 1932.

	November 1, 1930 October 31, 1931.		November 1, 1931 October 31, 1932.		Total.	
	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.
Train striking vehicle.....	37	92	38	54	75	146
Vehicle striking train.....	4	26	3	23	7	49
Totals.....	41	118	41	77	82	195

Casualties of all kinds from the operation of steam and electric railways decreased markedly as compared with the preceding biennium. The number killed in this biennium in the operation of steam railroads is 321 and the number injured 1,356, whereas casualties for the preceding biennium were 394 killed and 2,275 injured. In the operation of electric railways in this biennium there were 64 killed and 4,080 injured against 86 killed and 4,562 injured in the preceding biennium.

There was a decrease also in casualties at grade crossings from 89 killed and 282 injured in the preceding biennium to 82 killed and 195 injured in this biennium.

INVESTIGATIONS OF SIGNAL SYSTEMS AND INTERLOCKING PLANTS

Plans were approved for installation and changes of interlocking and signal systems at Boonville, Birmingham, Carthage, Higbee, Lock Springs, Plattsburg and Gallatin.

REGULATION OF RAILROAD SERVICE

Investigations were made of adequacy of service rendered by steam railways, and assistance given by the department at a large number of hearings relative to the regulation of train service, requests for the discontinuance of station agents, etc.

STEAM RAILWAY CLEARANCES

Investigations were made and assistance given by this department relative to thirteen requests for permission to construct tracks and structures with clearances less than prescribed by law and Commission's General Order.

GENERAL

Members of the Engineering Department attended and participated in all hearings and conferences relating to duties of the department, and assisted the Commission in the preparation of over two hundred and fifty reports and orders.

DEPARTMENT OF STATISTICS AND ACCOUNTS

The personnel of this department consists of one chief accountant, four expert accountants, eight assistant accountants and one clerk. Its duties and activities are as follows:

(a) Auditing books and records of the public utility companies in order to ascertain investment, original cost, capitalization, income, expenses, etc., to be used in valuation, capitalization and rate-making cases; testifying before the Commission and courts where necessary with respect to audits.

(b) Attendance at hearings and analyzing accounting and statistical exhibits presented at hearings in valuation, capitalization and rate-making cases.

(c) Preparing, mailing, receiving and filing annual reports of the utilities operating in the state.

(d) Checking the accuracy of annual reports filed by the utilities and securing corrections of inaccuracies or omissions.

(e) Drafting accounting systems and forms of annual reports for utilities.

(f) Advising verbally and by correspondence with the utilities in regard to matters pertaining to accounts, statistics and annual reports.

(g) Analyzing all applications for issuance of securities and preparing reports and orders in security cases.

(h) Advising with the Commission and the other departments in all matters involving statistics, accounts and securities.

AUDITS DURING PERIOD

The following audits have been completed by this department during the period:

1. Empire District Electric Company.
2. Lawrence County Water, Light and Cold Storage Co.
3. Missouri Electric Power Company.
4. Missouri General Utilities Company.
5. Missouri Southern Public Service Company.
6. St. Louis County Water Company.
7. Miami Light and Power Company.
8. United Telephone Company—Sarcoxie Exchange.
9. United Telephone Company—Windsor Exchange.
10. United Telephone Company—Oak Grove Exchange.

11. St. Joseph Water Company.
12. Missouri Edison Company.
13. Inter-County Telephone Company.
14. Western Telephone Corp. of Mo.—Palmyra Exchange.
15. Missouri Utilities Company.
16. Southwestern Bell Telephone Co.—Norborne Exchange.
17. Southwestern Bell Telephone Co.—Hickman Mills Exchange.
18. Southwestern Bell Telephone Co.—Bowling Green Exchange.
19. Middle States Utilities Company—Bethany Exchange.
20. Missouri Industrial Gas Company.
21. Carthage Gas Company.
22. Webb City and Carterville Gas Company.

In addition the following audits were in progress on November 30, 1932:

1. Missouri Power and Light Company.
2. St. Joseph Railway, Light, Heat and Power Co.
3. Kansas City Power and Light Company.

Most of the audits made by this department involved valuation and rates, information being presented showing original cost (where procurable) and the revenues and expenses and net return, so that propriety of rates could be determined. Many communities were involved, for example, one of the utilities audited serves 142 communities, another 60 communities and another 35 communities.

The properties audited by this department during this biennium and those in progress represent a book value of approximately \$158,000,000.00.

ACCOUNTING SYSTEMS

Revised accounting classifications for electric, gas and water utilities were prepared by this department during 1931 and were formally adopted and promulgated by the Commission for the use of these utilities to become effective on January 1, 1932.

These revised classifications were first prepared in tentative form and submitted to the public utilities as required by law. Conferences were had with representatives of the utilities and with other interested parties and public hearings were held at

which the revised classifications were thoroughly discussed and all criticisms and suggestions were fully considered.

The new revised classifications are thoroughly up to date and complete, and are designed to furnish more complete statistical data than has heretofore been available. They are compiled in condensed form for the smaller utilities so as not to be burdensome to the small operator, and for the larger utilities are capable of expansion so as to meet any special conditions or requirements without disturbance of the orderly marshalling of the accounts.

This department has also prepared a classification of accounts for truck operators and contract haulers in accordance with the requirements of the Bus and Truck Law, which has been adopted by the Commission to become effective January 1, 1933. This classification is also prepared in condensed, simple form for the small operator.

REVISION OF ANNUAL REPORT FORMS

This department has also prepared revised forms of annual reports to be made by electric, gas and water utilities in accordance with the revised classifications of accounts for those utilities. These revised reports will furnish better and more up-to-date statistical data than has heretofore been received by the Commission.

STOCKS, BONDS AND NOTES AUTHORIZED

This department has analyzed all applications filed with the Commission by the utilities for authority to issue stocks, bonds, notes or other securities, and has attended all hearings on such applications. It has reported its recommendation to the Commission in each case and in many cases has assisted the Commission in preparing the report and order authorizing or denying the application.

The securities authorized by the Commission during the period covered by this report are detailed in the following table:

TABLE SHOWING ALL AUTHORIZATIONS TO ISSUE STOCKS, BONDS AND NOTES UNDER THE PUBLIC SERVICE COMMISSION LAW FROM DECEMBER 1, 1930, TO NOVEMBER 30, 1932.

Case No.	Name of Company.	Kind of Security.	Amount Allowed.	Date of Permit.
7366	Springfield City Water Co.	Bonds	\$1,173,500.00	12-23-1930
		Stock	900,000.00	12-23-1930
		Non-par stock	10,000 shares	2-24-1931
7287	Missouri Telephone Co.	Stock	8,800.00	12-19-1930
7339	Southwestern Bell Telephone Co.	Stock	18,000,000.00	12-19-1930
7301	Consumers Public Service Co.	Stock	40,000.00	12-19-1930
7300	Ozark Central Telephone Co.	Stock	200,000.00	12-13-1930
		Non-par stock	800 shares	12-13-1930
7308	Bowling Green Gas Company	Non-par stock	500 shares	12-11-1930
7259	Peninsular Telephone Company	Non-par stock	2,480 shares	2-12-1931
		Bonds	22,000.00	2-12-1931
7456	Kansas City Power and Light Co.	Bonds	30,000,000.00	3-4-1931
7481	Missouri Public Service Co.	Bonds	75,000.00	3-25-1931
7450	Arkansas Missouri Power Company	Bonds	500,000.00	3-25-1931
7471	Union Electric Light and Power Co.	Non-par stock	300,000 shares	3-9-1931
7531	Missouri Gas and Electric Service Co.	Non-par stock	1,974 shares	4-14-1931
7550	Miami Independent Telephone Co.	Notes	820.00	4-17-1931
7560	Springfield Gas and Electric Co.	Non-par stock	2,000 shares	5-1-1931
7577	Farmers Telephone Co.	Non-par stock	276 shares	6-18-1931
7700	Missouri Power and Light Co.	Non-par stock	11,000 shares	8-24-1931
7583	Western Light and Power Corporation	Bonds	100,000.00	8-10-1931
7686	Union Electric Light and Power Co.	Non-par stock	375,000 shares	8-6-1931
7679	Consumers Public Service Co.	Bonds	30,000.00	8-28-1931
7725	Springfield Gas and Electric Co.	Bonds	414,000.00	8-19-1931
7751	Kansas City Gas Company	Bonds	2,180,800.00	10-19-1931
7760	Ozark Utilities Company	Stock	100,000.00	11-5-1931
7833	Missouri Gas and Electric Service Co.	Bonds	224,000.00	11-19-1931
7838	Missouri Public Service Co.	Bonds	400,000.00	12-18-1931
7882	St. Louis County Water Co.	Non-par stock	8,000 shares	12-11-1931
7893	Consumers Public Service Co.	Stock	15,000.00	1-5-1932
7774	St. Joseph Railway, Light, Heat and Power Co.	Bonds	1,632,700.00	2-15-1932
7984	Springfield Gas and Electric Co.	Non-par stock	3,000 shares	3-10-1932
8002	Kansas City Power and Light Co.	Bonds	6,500,000.00	4-6-1932
8135	Union Electric Light and Power Co.	Bonds	15,000,000.00	7-27-1932
8123	Western Greyhound Lines, Inc.	Notes	509,000.00	7-26-1932
8102	Clinton Gas and Dist. Co.	Non-par stock	800 shares	7-21-1932
8158	Springfield City Water Co.	Bonds	335,000.00	9-15-1932
		Notes	405,000.00	9-15-1932
8216	Union Electric Light and Power Co.	Bonds	7,500,000.00	10-17-1932
8148	Western Greyhound Lines, Inc.	Notes	293,000.00	11-22-1932

RECAPITULATION.

Total bonds	\$66,086,200.00
Total notes	1,207,820.00
Total stock	19,263,800.00
Total stock, non-par value	715.830 shares

During the biennium there have been several sensational holding company failures with defaults on millions in bonds issued by such holding companies. During the same period not a bond authorized by this Commission has defaulted. In

fact, no original bond issue authorized by the Commission since its creation in 1913 has defaulted.

The security issues of holding companies are not regulated by any public body. The public has frequently pointed accusingly to state regulatory bodies and state regulation of public utilities in the debacle of holding companies. Nothing could be more unjust. The state bodies have nothing to do with the character or amount of securities issued by holding companies.

This department checks carefully the value of the property, its present and prospective income before authorizing security issues of any kind. In several cases it has refused to approve the issue of any bonds when it was of the opinion that property values or income was not sufficient. Its judgment has been amply justified by the record of security issues authorized by the Commission.

THE ELECTRIC, WATER, GAS, TELEPHONE, TELE- GRAPH AND STEAM HEATING DEPARTMENT

The work of this department is at present carried on by its Chief, two assistant engineers, one clerk and two stenographers.

The work done by the department is as follows:

(a) The keeping of an accurate official record of the rates charged by all privately owned utilities furnishing gas, electric, telephone, telegraph, steam heating, and water service in this State.

(b) Attention to all correspondence and verbal requests for information on matters pertaining to the rates charged and service furnished by gas, electric, telephone, telegraph, steam heating, and water utilities.

(c) Adjustment of correspondence complaints involving gas, electric, telephone, telegraph, steam heating or water service.

(d) The filing of the schedules of rates, rules and regulations of gas, electric, telephone, telegraph, steam heating, and water utilities, and the keeping of a record showing the increase or decrease in the annual gross revenue that will result from the application of the new schedules.

(e) General inspection of equipment and test of service meters.

(f) General supervision of the quality of equipment of gas, electric, telephone, telegraph, steam heating and water utilities in so far as the public interest, public health and safety of the public and employees are concerned.

(g) Analysis, in conjunction with the Accounting Department, of operating reports as required by the Commission from which analyses subsequent orders are made relative to the continuing or changing of rates.

(h) Attending hearings, offering testimony and making investigations when necessary, in matters before the Commission involving permits for electric transmission lines, inductive interference controversies and transfers of utilities, the filing of rate schedules, and other formal cases before the Commission relating to standards, adequacy and extensions of utility service, and the charges for such service.

During the above mentioned period 7,529 letters and 406 reports and orders were written. When writing a majority of

the letters it was necessary first, to collect information and data, and make copies of enclosures to be sent with the letters. During the period covered by this report 1,858 schedules of rates, rules and regulations were filed and 77 special authority orders authorizing new rates or rules were issued.

There were no increases in electric, gas, water or steam heating rates during the biennium. Reductions in utilities' annual gross revenues, other than telephone and telegraph, resulting from the filing of new schedules are as shown in the table below:

DECEMBER 1, 1930, TO DECEMBER 1, 1932.

Electric.....	\$1,195,909.73
Gas.....	1,285,253.50
Water.....	99,993.00
Total.....	<u>\$2,581,156.23</u>

The reductions in gas rates were due principally to the substitution of gas with a higher heating value which reduced rates per heating unit. The reductions in electric rates in the above table include only reductions actually effective during the biennial period. It does not include certain reductions which were filed with the Commission or announced before the end of the period, to be effective for service rendered after November 30, 1932. Such reductions, in addition to those listed above, total \$320,000.00.

During the period of this report the Commission issued orders authorizing the construction of natural gas plants in the following cities which had heretofore not had gas service:

Adrian	Fayette	Platte City
Alma	Hallsville	Plattsburg
Amoret	Hickman Mills	Sturgeon
Blackburn	Houstonia	Sweet Springs
Bonne Terre	Knobnoster	Tipton
Butler	Laddonia	Vandalia
Carrollton	Lamonte	Virginia
Centerview	Martinsburg	Warrensburg
Centralia	New Franklin	Waverly
Clarksburg	New London	Wellsville
Concordia	Norborne	Weston
Elvins	Palmyra	Windsor
Emma	Passaic	
Farber	Pilot Grove	

The Commission also authorized the change-over from artificial gas to natural gas in the following communities:

Boonville	Hannibal	Marshall
Columbia	Jefferson City	Mexico
Excelsior Springs	Lexington	Springfield

The Commission authorized the substitution for artificial gas of mixed artificial gas and natural gas of a higher heat content than straight artificial gas in the following communities:

Brentwood	Kirkwood	St. Louis
Clayton	Maplewood	St. Louis County
Ferguson	Richmond Heights	University City
Glendale	Shrewsbury	

The only new artificial gas plant authorized during the biennial period was at Cameron.

The Supreme Court has held invalid all references to the jurisdiction of the Commission over municipal plants on account of a defect in the title to the Public Service Commission Act. The original Public Service Commission Act gave the Commission jurisdiction over municipally owned electric and water utilities. By amendment in 1917 the General Assembly excluded municipally owned water plants from the act. Electric plants, however, up to the recent decision filed their rate schedules and rules with this department, and the Commission has handled numerous complaints regarding rates and service of municipal plants. We make no specific recommendations as to legislation by the General Assembly on this subject but we believe that the matter should be considered. We believe, however, that it will be to the interest of communities having municipal electric plants to give the Commission authority over accounting practices and to require municipal electric plants to use the uniform system of accounts for electric utilities prescribed by the Commission. This will enable communities having municipal plants to obtain accurate information as to the operations of their electric utilities. Otherwise, if each municipal plant is permitted to keep its records in any manner it desires, citizens may be unable in many cases to ascertain with any degree of accuracy the success or failure of the operations of their plants.

The department continues to give a large amount of time and assistance to other departments of the State on engineering

problems and undertakings. Assistance has been given on the examination and analysis of proposals for furnishing coal, boilers, engines, water treating systems, ice making machines, steam heating and electric service, electric generating machinery and numerous other smaller matters.

The use of the radio continues to bring up problems because of electrical interference with radio reception apparatus. The handling of these problems has called for a large amount of work. Letters are received from all parts of the State asking for assistance in efforts to eliminate such interference. It might be added that although this Commission has no jurisdiction over radio equipment and problems connected therewith, the complaints in most cases have been satisfied through our efforts.

The last General Assembly made an appropriation which enabled this department to employ two engineers to act as inspectors. The Commission employed as telephone engineer a man who has had over thirty-three years experience in the telephone business and who is familiar with the Commission's method of procedure, having been with the Commission from March, 1913, to October, 1919. As electrical and mechanical engineer the Commission employed a man who has had over twenty years of experience in the construction and operation of large utilities. During the biennium the engineers have visited over 700 towns and cities in the State and investigated gas, water, telephone and electric problems. They have tested meters in various towns where complaints have been made, inspected the premises of prospective customers desiring extensions, investigated interference with radio reception, inductive interference, equipment and numerous other problems.

Because of the existing number of telephone exchanges it is obvious the Commission could not possibly secure the information necessary to make rules and regulations for each and every individual company or exchange, and pass on complaints, both formal and informal, without making a field inspection of the various properties. Field inspection of telephone plants was begun February 16, 1931, and up to and including December 1, 1932, inspections of plants have been made in 516 towns. The following is a summary of the findings of the telephone engineer:

Central Offices.

Conditions as to the switchboard and other central office equipment in 511 exchanges were found to be as follows:

In poor condition	51
Medium condition.....	106
Fair condition	233
Good condition	121
	<hr/>
Total.....	511

Outside Plants.

The condition of the physical plants operated by the central offices was found to be as follows:

In poor condition.....	50
Medium condition.....	83
Fair condition	296
Good condition	87
	<hr/>
Total.....	516 (Note 2.)

Note: Poor condition—below 60%; fair condition—70 to 85%; medium condition—60 to 70%; good condition—over 85%.

Note 2: There are five towns in which the wire plants are operated from a distant office.

In all cases where reports to the department showed plants to be in medium or poor condition, either in the central office or the outside physical plant, the Commission has taken the matter up with the telephone company and instructed it to make such repairs as were necessary to place the property in good operating condition. The Commission has caused rehabilitation of plants or central offices to be made in the following towns:

Moscow Mills.....	Entire new outside plant.
Troy.....	New central office location, with switchboard and outside plant rehabilitated.
Mokane.....	Entire outside plant rehabilitated.
Mountain Grove.....	Entire outside plant rehabilitated.
Sikeston.....	New central office equipment.
Galena and Reeds Spring.....	Outside plant rehabilitated.
Waynesville.....	Outside plant rehabilitated.
Madison.....	Outside plant rehabilitated.
De Witt.....	Outside plant rehabilitated.

Sixty-three towns were visited for the purpose of investigating informal complaints relating to both electrical and radio interference.

TELEPHONE RATES

In checking the rates for service at various towns inspected it was found that in many exchanges there were different rates in effect those on file with the Commission, these differences being in business and residence rates as well as rural rates. The department has caused adjustment to be made in all of the exchanges, many cases resulting in lower rates for the subscribers.

In addition to the inspections made the department has made a check of all rate schedules, prepared new forms for schedule filing and has "charted" the rates of all companies according to town population for the purpose of analyzing and comparing rates.

ELECTRICAL INTERFERENCE ON TELEPHONE LINES

Since the extension of power lines throughout the country has reached the figure of hundreds of miles of high voltage wires running along the highways and country roads, considerable interference has developed in exchange plants and rural lines. Out of the 511 plants inspected, bad electrical interference was found in 86 plants and slight interference in 14 plants, a total of 100 plants being interfered with by high voltage lines. In each instance the Commission took the matter up with the power company owning the lines at the point of interference requesting that with the cooperation of the telephone company it do everything necessary to eliminate the interference so as to enable the telephone users to receive better service.

The most pronounced cases of electrical interference were found at Verona in Lawrence County, at Niangua in Webster County, and at Steelville in Crawford County. The Verona case was very bad. The electric utility had over-built the lines of the telephone company without regard to clearance rules, created many hazards in the telephone plant and ruined the service on several rural lines through inductive interference. Through the efforts of the department the dangerous situation was corrected and the interference eliminated.

At Niangua the lines of the telephone exchange were being greatly damaged by high voltage interference. After persistent efforts made by this department in conferences and writing to the utility, the company finally located the source of the inter-

ference and the same was removed. It might be of interest to note the trouble was located in the substation of the power company at Crocker, Missouri, because of a leak in an electric cable. The Crocker substation is located approximately fifty miles, airline, northeast of Niangua and the clearing of the trouble at this point exemplifies the "freaks" performed through electrical interference.

At Steelville, the interference complained of was investigated and the utility built an entire new line serving nine subscribers to eliminate the high voltage interference.

INFORMAL COMPLAINTS

The department has been able to give more rapid and efficient attention to complaints through these engineers. The complaints were arranged into groups so that the engineers could take care of all of them in any section of the state on a single inspection tour. It has been the practice of the engineers, upon their visit in any locality, to call upon public officials and discover before complaint is made whether there is any dissatisfaction with the services of utilities. In many cases they have remedied defects in service and satisfied complaints before they were formally called to the attention of the Commission. They have also made general inspections of the operating conditions of utility properties and reports to the Commission, which have served as the basis of informal action by the Commission correcting the defects reported. Their services have undoubtedly raised the standard of service in many communities in the state and prevented the growth of differences between utilities and communities in which they operate by speedily adjusting disputes and potential disputes before they even reached the attention of the utility.

The settlements were made at the towns located in various parts of the state. In many cases the engineers made or supervised the necessary alterations themselves.

Reports have come to the Commission from city officials and users of service stating that wonderful improvement has come in utility service since the beginning of the inspection work.

MUTUAL COMPANIES

For many years the Department has had in its files the names of telephone companies, which, to all appearances, were mutual companies insofar as reports filed by them would show, but through not understanding the Public Service Commission Law, and General Order No. 1 issued by the Commission, these companies are unable to make such report as would give the Commission enough information to decide their status, and only through field inspection could their status be ascertained. The engineer found twenty-five of these companies which have been taken off the list as companies operating for hire. It was also found that three companies listed had gone out of business.

Telephone service is furnished in this state by 255 companies operating 702 exchanges which are under the jurisdiction of this Commission. There are also approximately 500 companies mutually owned and not operated for hire that do not come under the jurisdiction of this Commission.

During the past two years a number of the exchanges have been rebuilt by the owning company, the service changed from grounded circuit local battery to metallic circuit, common battery, the service thereby being improved.

One of the principal duties of the telephone division is the handling of all informal cases wherein questions of rates, service and general conduct of the business are concerned. During the period approximately 204 informal or correspondence complaints were handled, as follows:

Filed	204
Complaints satisfied.....	140
Abandoned by complainant.....	40
Commission without jurisdiction.....	2
Made formal cases.....	7
Now pending for action.....	25
	<hr/>
Total.....	204

The work of the Bell Telephone Company in constructing the underground cable system extending from St. Louis to Kansas City, and from Kansas City to Joplin, part of the transcontinental underground system, was completed and is now in operation. The approximate cost of the system in this state is in the neighborhood of \$9,000,000.

The Bell Telephone Company, the Postal Telegraph Company and the Western Union Telegraph Company have inaugurated teletypewriter service, so that instead of being confined to leased wire circuits stations will be connected in a manner similar to the connection of telephone stations, that is, any teletypewriter service subscriber may obtain connection with any other teletypewriter service subscriber through a central exchange switchboard. The Postal Telegraph Company and the Western Union Telegraph Company offer inter-communication between the two companies' teletypewriter subscribers.

The Southwestern Bell Telephone Company inaugurated in St. Louis County what is known as "commuted toll service." This allows the subscribers in six of the cities adjacent to St. Louis, upon payment of a flat monthly charge, the regular unlimited local service with the subscribers in the exchange furnishing them service, and also to the residence subscribers unlimited service with subscribers of the St. Louis exchange, and to the business subscribers twenty calls per month without charge to the subscribers in the St. Louis exchange. The subscribers in the St. Louis exchange may have unlimited service to the commuted toll subscribers in the six county exchanges. More than 2,100 of the subscribers of the six exchanges are being furnished this commuted service. The service has been requested by the subscribers of the exchanges in St. Louis County for a considerable length of time. The installation of this service resulted in a saving of approximately \$50,000 annually to telephone users in St. Louis and St. Louis County.

There is at the present time a greater demand on the part of the public for reductions in the cost of telephone service than has existed at any time since the war. During all that time until the last two years there was a continuous demand for improved service. That required increased plant investment and plant rehabilitation. Because of the recent date of those changes the telephone companies claim they are not in a condition to make some of the reductions demanded and continue to keep their organizations and plants in proper operating condition. However, it has been possible to secure reductions in rates. Since 1926 the reductions in the cost of telephone service as furnished by the Southwestern Bell Telephone Company and the independent telephone companies in this state have amounted to the figures shown below:

REDUCTIONS IN TELEPHONE RATES SINCE JANUARY 1, 1926,
AFFECTING TELEPHONE USERS IN MISSOURI

<i>Rates Affected.</i>	<i>Annual Effect of Rate Change.</i>
Reduction in long distance rates.....	\$618,400
Reduction in exchange rates.....	103,627
	<hr/>
Total amount of reductions.....	\$722,027
Increases following installation of new systems to give improved service.....	101,121
	<hr/>
Net annual savings to telephone users, approximately.....	\$620,906

As the effect of the depressed financial conditions are overcome, it is hoped greater reductions can be secured.

TRANSPORTATION DEPARTMENT

This department has general supervision over railroads, street railroads, interurban, express and sleeping car companies under the Public Service Commission Act and other laws governing their conduct. A list of the operative companies so regulated follows:

**MILEAGE OF STEAM AND ELECTRIC RAILWAYS, CITY STREET RAILWAYS AND EXPRESS COMPANIES OPERATED IN MISSOURI
ON DECEMBER 31, 1931.**

MILEAGE OF CLASS 1 RAILROADS IN MISSOURI.

RAILROAD.	Miles of road.	Miles of second main track.	Miles of third main track.	Miles of fourth main track.	Miles of industrial track.	Miles of yard track, sidings, etc.	Total.
the Atchison, Topeka and Santa Fe Ry. Co.	312.68	200.49	15.18	.41	198.46	136.71	685.31
the Alton Railroad Company*	278.75	20.71	.....	.....	12.07	93.68	405.21
Chicago, Burlington & Quincy R. R. Co.	1,138.78	129.62	.....	.....	73.28	407.75	1,749.43
Chicago Great Western Railroad Co.	101.24	3.61	.....	.....	1.38	45.43	51.66
Chicago, Milwaukee, St. Paul and Pacific R. R.	147.98	44.42	6.48	5.44	4.57	99.77	08.66
Chicago, Rock Island and Pacific Ry.	612.68	83.45	8.04	6.62	21.87	207.80	40.46
the Kansas City Southern Railway Co.	201.18	10.52	.....	.....	39.01	99.30	350.01
Missouri and North Arkansas Ry. Co.	69.21	.....	.....	.....	.34	14.50	84.05
Missouri-Illinois Railroad Co.	106.29	.....	.....	.....	8.01	35.23	149.53
Missouri-Kansas-Texas Railroad Co.	470.24	28.29	.....	.....	14.12	165.80	678.45
Missouri Pacific Railroad Co.	1,638.40	176.69	1.50	.....	123.86	611.25	2,551.70
Omaha and Kansas City R. R.	246.94	1.09	.....	.....	4.60	273.97	21.34
St. Louis-San Francisco Railway Co.	1,801.46	00.25	.....	.....	167.94	442.96	2,472.61
St. Louis Southwestern Railway Co.	226.73	19.67	.....	.....	.....	82.56	328.96
Wabash Railway Company	654.66	104.98	13.38	.....	34.34	266.97	1,074.33
Totals	8,007.22	883.79	44.58	12.47	5 5.23	2,731.05	1,204.34

*Formerly C. & A.

SMALL ROADS AND SWITCHING ROADS IN MISSOURI—
MILEAGE.

	Average mileage.
SMALL ROADS.	
Bevier and Southern Railroad Co.	10.20
Cassville and Exeter Railway Company	4.70
Missouri Southern Railroad Co.	69.46
Ozark Southern Railroad Co.	14.70
Rock Port, Langdon and Northern Ry. Co.	5.65
Shelby County Railroad Co.	8.50
Shelby Northwestern Railway Co.	21.50
St. Joseph and Grand Island Ry. Co. . . . .	.44
St. Louis and Hannibal Railroad Co.**	103.40
Total	238.55
SWITCHING ROADS.	
Hannibal Connecting Railroad	3.08
Illinois Terminal Railroad	3.19
Kansas City Connecting Railroad**	4.80
Kansas City Terminal Railway Co.	124.04
Missouri-Illinois Bridge & Belt Ry	5.93
Manufacturers Railway**	30.93
Rock Island and Frisco Terminal Ry. Co.	14.99
St. Joseph Terminal Railway Co.	3.41
St. Joseph Belt Railway Co.**	24.67
Terminal Railroad Association**	172.20
Union Terminal Railway Co.	3.41
Total	390.65

**Mileage not given in Missouri Annual Report.
Taken from Report to I. C. C.

ELECTRIC RAILROADS OPERATED IN MISSOURI—
MILEAGE.

	Average mileage.
ELECTRIC INTERURBAN RAILROADS.	
Kansas City, Clay County and St. Joseph Ry. Co. (Robert P. Wood, Receiver)	76.89
Cape Girardeau-Jackson Interurban Ry. Co.	3.6
Joplin-Pittsburg Railway Co.	18.33
St. Francois County Railroad Co.	7.68
North Kansas City Bridge and Railroad Co.	10.406
Total	116.906
CITY STREET RAILWAYS.	
Kansas City Public Service Co.	125.85
Missouri Power and Light Co., Jefferson City, Mo.	4.11
St. Louis Public Service Company	459.79
St. Joseph Railway, Light, Heat and Power Co.	51.500
Springfield Traction Company	**51.53
The Southwest Missouri Railroad Co. (F. C. Wallower and Harrison C. Rogers, Receivers)	38.23
Total	731.010
EXPRESS COMPANIES.	
Railway Express Agency, Inc.	
St. Charles Electric Express Company	

***31.80 miles operated by busses.

On October 1, 1931, this Department was given supervision over all tariffs filed by Motor Bus Companies and early in 1932 it was given the supervision of all tariff schedules of Motor Freight Companies. The files now include the tariffs of all types of common carrier and contract hauler transportation companies operating in intrastate commerce in the state. A working file of railroad interstate tariffs is maintained for the convenience of the public. This includes tariffs containing the rates on commodities imported into and exported out of the State of Missouri. The Department is called upon frequently for rate quotations. A complete file of such tariffs is maintained by the railroads only in the large cities. All tariffs sent to the Commission for filing in compliance with the laws of Missouri are recorded, indexed, examined by rate experts, and the common carrier promptly is notified of any defects found. Unlawful tariffs are rejected with a full explanation of the reason therefor. The tariffs are kept filed in a systematic manner for quick reference and all tariffs are kept open for inspection by any citizen during business hours. On November 1, 1930, this work was accomplished with two rate experts and one combination file clerk and stenographer. The additional work in connection with the bus and truck tariffs necessitated one additional rate clerk, and the work now requires the full time of one clerk for filing and the full time of one stenographer. There are now 59 bus companies and 861 truck companies that have tariffs filed with the Commission. Many truck lines that have applications for certificates of convenience and necessity pending before the Commission have not as yet filed freight tariffs. The filing of freight tariffs, by truck operators, required by legislation of the Fifty-sixth General Assembly, has necessitated the devotion of much time by the rate experts of this department to a tariff and rate educational program. The development of rules and regulations suitable for use in connection with rates published by truck operators and the various methods of stating rates have been given close attention in order that the truck operator might have proper protection and the public have definite and clear knowledge of all rates as expressed in tariff form. The result of these activities is apparent from an inspection of the many tariffs now in the Commission's files. The correspondence of this department has been materially increased by the addition of the bus and truck tariff work.

Competition between truck operators and between truck and railroad operators has been and is very keen, resulting in the lowering of many important rail rates. The department's work has been made materially heavier because of this fact. During the past six months, June 1st to November 30, 1932, the Commission considered 309 applications for special authority to publish rates on less than statutory notice as compared with 101 applications during the same period in 1931.

The reductions in rates are often material. As an example, a recent application proposed the reduction of the carload rate on eggs from Windsor to St. Louis from 58 to 33 cents per 100 pounds, or about 14 cents per case; from Sedalia to St. Louis from 55 to 33 cents per 100 pounds with similar marked reductions at Boonville, Eldon, and other intermediate points. Truck rates on eggs from Springfield to St. Louis have caused similar reductions from that territory to St. Louis. Rates on canned goods from the canning factories in southern Missouri to Kansas City, St. Joseph, St. Louis and numerous intermediate points have been sharply reduced, in the face of general advances in railroad rates as a result of litigation before the Interstate Commerce Commission and this Commission hereinafter described. These changes have not only been the subject of special authority applications but the majority of the changes have been made on full statutory notice, making the checking of tariffs by rate experts exceptionally heavy not only because of the large number of such tariffs filed, but because of the necessity to be ever vigilant to detect discrimination between communities and other unlawful or apparently unjust rate adjustments. Many investigations have been instituted into the reasonableness of rates published in these tariffs and the rates placed under suspension. To illustrate the amount of tariff work required of our rate experts the following table is submitted showing the number of tariffs filed with the Commission during the six months' period, June 1st to November 30, 1932.

Railroad freight.....	2,650
Railroad passenger.....	737
Interurban railroad.....	30
Express companies.....	33
Bus companies.....	217
Truck companies.....	1,357
Street railroad.....	19
Sleeping car.....	4
Total.....	<hr/> 5,047

This is equivalent to 36.3 tariff schedules per 8-hour working day. Many of these railroad tariffs have more than a hundred pages. The truck and bus tariffs are comparatively simple but require close examination due to the inexperience of these operators in tariff and rate matters.

STATISTICS

This department compiles and analyzes the statistical information annually submitted to the Commission by the railroads and publishes printed statements thereof covering the total operations in Missouri for each year. This information is of great value in rate case proceedings before the Missouri and Interstate Commerce Commissions, and an interchange of the information is made between this Commission and those of surrounding states so that comparative operating results may be readily determined. This statistical service has been of particular value during the past five years because of the large number of important general freight rate cases that have been before the Interstate Commerce Commission.

IMPORTANT CHANGES IN RAILROAD CONDITIONS— RECEIVERSHIPS

Since the last biennial report the following railroads operating in Missouri have been placed in the hands of receivers by order of Federal Courts:

On November 13, 1930, Robert P. Woods was appointed receiver for the Kansas City, Clay County and St. Joseph Railway Company.

On December 1, 1931, Walter S. Franklin and Frank C. Nicodemus, Jr., were appointed receivers for the Wabash Railway Company.

On November 1, 1932, J. M. Kurn was appointed receiver for the St. Louis-San Francisco Railway Company. On November 5, 1932, John G. Lonsdale was appointed a co-receiver with Mr. Kurn.

REORGANIZATIONS

Effective July 18, 1931, The Alton Railroad Company began operation of the properties in Missouri previously operated by William W. Wheelock and William G. Bierd, receivers for the Chicago and Alton Railroad Company.

NEW RAILROAD ADDITIONS AND ABANDONMENTS

The Kansas City Terminal Railway Company has constructed a double-track short line from Madison Street (about 100 feet north of Railroad Street) to Grand Avenue, in Kansas City, abandoning what was known as the high line, providing for a faster and more dependable freight service between the eastern and western sections of Kansas City.

The St. Louis and Hannibal Railroad has abandoned its tracks between Bowling Green and Gilmore, Missouri.

Freight service at Troy, Mo., is still being furnished by the St. Louis and Hannibal Railroad Company with one train per week pending completion of arrangements by the St. Louis and Troy Railroad Company, to acquire by lease the trackage of the St. Louis and Hannibal Railroad between Troy and Moscow, to provide track connections with the Chicago, Burlington and Quincy Railroad at Moscow, Mo., and establish freight service between Troy and Moscow. Appropriate applications are now pending before the Interstate Commerce Commission and this Commission.

RAILROAD RATE LITIGATION

The past two years have been outstanding in the amount and importance of the railroad rate adjustments in Missouri made pursuant to litigation before the Interstate Commerce Commission and this Commission.

CLASS RATES

Class rates in Northern Missouri were readjusted effective December 3, 1931, pursuant to decisions in Interstate Commerce Commission's Docket 17,000, Part 2, and this Commission's Case No. 6202. The single line rates for short distances were slightly advanced, the basis of less carload rates between the Mississippi River and Kansas City and St. Joseph were placed on a strict mileage basis resulting in both advances and reductions, and marked reductions were made in all class rates between the Missouri points involved and the large manufacturing centers in Ohio, Indiana, Michigan, Pennsylvania, New York and the New England states. Since the advances in the short haul local less carload rates many individual reductions have been made to permit competition with truck lines.

In southern Missouri a basis of class rates was published to become effective on July 17, 1932, but at the request of the railroads serving that region the schedules were suspended and are still under suspension. The Interstate Commerce Commission did not suspend the interstate rates.

GRAIN RATES

In Interstate Commerce Commission Docket 17,000, Part 7, pursuant to a decision by the United States Supreme Court, the rates on grain that had been made effective August 1, 1931, were cancelled effective February 20, 1932, and the Interstate Commerce Commission reopened the proceeding for the reception of further evidence. The rates in effect in Missouri today are those established by this Commission in 1915, as modified by general advances and a reduction.

LIVE STOCK RATES

An adjustment of live stock rates in Missouri was made effective on January 25, 1932, the adjustment resulting in both advances and reductions of rates previously in effect. After the United States Supreme Court decision in the grain rate case the Interstate Commerce Commission reopened the Live Stock Rate Case and the carriers voluntarily re-established the rates that had been in effect in Missouri prior to January 25, 1932. The Interstate Commission has since conducted further hearings with respect to live stock rates. Truck competition has compelled the reduction of the carload minimum weight on cattle and hogs and mixed shipments of live stock in Missouri during the past year, also has caused the establishment of more liberal privileges covering stopping in transit to finish loading, and the transportation of caretakers.

COAL RATES

After a rather comprehensive investigation the Commission in Case No. 7210 revised the rates on bituminous coal from the several groups of coal mines in Missouri to all Missouri destinations. The rates established September 1, 1931, resulted in general reductions. The new rates compare favorably with the interstate rates applicable from mines in Illinois, Kansas and Arkansas to the Missouri destinations, distance considered, and removed many inequalities in the rates from the various groups to particular destinations. After more than a year's experience the new rates appear to be very satisfactory.

LEGAL DEPARTMENT

This department consists of the General Counsel, appointed by the Governor and commissioned for a term of six years, Assistant Counsel and two stenographers. Since the last biennium an additional stenographer was added on account of the increased work of the department by reason of the Truck Law. The Legal Department passes on the sufficiency of all insurance filed by bus and truck operators licensed by the Commission. Over two thousand policies have passed through the office of the General Counsel for inspection and approval. The department also handles cancellations of insurance policies of carriers, and all other matters connected with insurance.

During the last biennium 58 suits were begun, ended or disposed of, whereas during this biennium 66 suits were begun, ended or disposed of.

Of the 66 cases, 35 were in the Circuit Court, 22 in the Supreme Court of Missouri, 7 in the United States District Court, 1 in the United States Supreme Court and 1 before the Interstate Commerce Commission. Out of the 66 cases the Commission was successful in all except 4.

Some of the cases handled by this department were of such importance as to deserve extended notice.

The original Public Service Commission Act gave the Commission extensive powers over municipal electric plants. It had been the custom of municipal plants to file rates with the Commission, and the Commission has in the past handled many informal complaints against rates and services by municipal plants. Pursuant to complaint made by citizens of Columbia, the Commission ordered an appraisal and audit of the Columbia municipal electric plant. The City denied the power of the Commission and arrangements were made with the City to bring a test case to determine the extent of the Commission's powers over municipal plants. Pursuant to this, an injunction suit was brought by the City in the Circuit Court. An injunction was issued by the Circuit Court. The Supreme Court affirmed the judgment of the Circuit Court on the ground that the title to the act was defective because the subject matter of the regulation of municipal plants was not expressed in the title. In the report of the Commission's Electric Department this case and its effect are discussed at greater length.

In *State ex rel. City of St. Louis v. Public Service Commission* the Supreme Court construed the provisions of the Public Service Commission Act regarding the acquisition of stock by a corporation in a Missouri street railway corporation. The principles laid down in this case will, no doubt, be applied to the acquisition of stock in other utilities. This was a case of novel impression in this state and there is apparently only one other case in a court of last resort in the United States. The Commission, in granting the corporation authority to acquire the stock, held that the test was that there was no detriment to the public interest. The Commission was reversed on several grounds, the most important of which from the standpoint of regulation being that it is not sufficient to show that there is no public detriment from the acquisition of the stock, but it must be shown affirmatively that there is a public benefit. This lays down a principle of far-reaching importance in this branch of the Commission's jurisdiction.

Another case of great importance to the State was *Schwartzman Service, Inc., v. Public Service Commission et al.*, in the United States District Court. This was an attack by a contract hauler upon the constitutionality of the Bus and Truck Law passed by the last General Assembly. The case was tried before a three-judge statutory court and the validity of the law was sustained. The determination of this case permitted the Commission to take up aggressively the enforcement of the act and laid aside the doubt existing as to the validity of the law.

Counsel for the Commission appeared for the State in a cooperative hearing before the Public Service Commission and the Interstate Commerce Commission. This case originated by petition of the Missouri Public Service Commission and involved class and commodity rates in Southern Missouri. This department argued the case for the Commission, and the order issued by the Interstate Commerce Commission and the Missouri Commission in the cooperative proceeding resulted in lower class and commodity rates in Southern Missouri.

In addition to the handling of litigation, the department has rendered numerous opinions to the Commission on various legal questions arising in the execution of the Commission's business. It has also handled a great volume of correspondence, particularly with reference to the provisions of the Bus and Truck Act.

BUS AND TRUCK DEPARTMENT.

The Department consists of a bus supervisor, a truck supervisor, two stenographers and three inspectors. These are all the full-time employes authorized by the appropriation of the last General Assembly. In addition to this, there is an appropriation covering the services of employes of the Commission who work on bus and truck matters as well as other business of the Commission. On account of the unexpected volume of business in this department, the appropriation for joint employes has not been sufficient to take care of the work, and the Commission has been compelled for periods of time to use, for full time, employes paid out of the appropriation from general revenue.

PASSENGER MOTOR CARRIERS.

The Commission has had jurisdiction over passenger motor carriers since 1927. There are now no unlicensed passenger motor carriers operating in this state except a few individuals running clandestinely into and out of larger cities of the state carrying a comparatively few persons. Practically all of these operate out of so-called "travel bureaus." The travel bureau purports to make a contract between a tourist or person already bound for a certain destination in his own car and persons desiring to go to the same destination on the basis of the division of the cost of the trip. In fact, the operators of the cars engaged in this business make it a practice to carry for hire and the verbiage of the contract is a subterfuge covering the business of hauling. Our inspectors have been active in the suppression of this traffic. They have caused the arrest of forty of these operators, all of whom have either been fined or sentenced to jail. This business takes many different guises and our inspectors have been on the alert to suppress it.

Numerous instances have come to the attention of the Commission of persons engaging transportation through the travel bureaus being unloaded at points along the route and stranded. The vigorous enforcement of the law in Missouri has resulted in diverting this class of business through other states and has reduced it to a minimum in Missouri.

The passenger motor business is under the complete and effective control of the Commission. Passenger service is being rendered over all the principal highways of the state by reliable carriers carrying adequate insurance to protect the public and running on regular schedules at published rates.

When the Commission assumed jurisdiction over passenger motor carriers chaos existed in this state in the passenger motor carrier business. There were no established rates and the vehicles used were unsafe. Before regulation was fully established the Commission learned of numerous cases in which passengers were left stranded on the highways. Very few of the carriers had insurance and the traveling public was left without remedy in case of injury. The safety record made in Missouri by passenger motor carriers is exceptional. In four years there has not been a single death to a passenger in a vehicle licensed by the Commission under the law, and no fatal accidents to persons other than passengers in the past two years. This can be attributed to the improvement in the condition of the cars used in the business and greater care in operation through the activity of our inspectors.

The bus business has reached such a stage of stability that the number of new applications filed has decreased. The following are the figures for this biennium:

Applications filed	64
Certificates issued	21
Transfer of certificates	24
Certificates revoked or suspended	18
Complaints heard	5
Cases dismissed or denied	8
Cases pending	11

The following table shows the number of operators in the state, the number of vehicles licensed, the number of seats in licensed vehicles, and the fees collected for the biennial periods ending November 30, 1928, November 30, 1930, and November 30, 1932:

	Nov. 30, 1928	Nov. 30, 1930	Nov. 30 1932
Licensed operators	127	168	59
Vehicles licensed	341	344	398
Seats in licensed vehicles	4,153	5,857	3,816
Fees collected	\$55,266.32	\$106,012.45	\$78,902.24

The fees collected from bus operators alone, without considering additional fees collected from trucks, are over \$5,000 in excess of the total appropriation for the support of this department.

1931

FREIGHT MOTOR CARRIERS.

The last General Assembly gave the Commission jurisdiction over freight motor carriers. The act was effective September 14, 1932. Shortly after the effective date of the act a suit was brought before the United States District Court to test the constitutionality of the law. On July 30, 1932, the court sustained the validity of the law and no appeal was taken therefrom.

During the pendency of the suit the Commission conducted hearings in the cases filed. Hearings were held at different points in the state in order that applicants might present their cases with a minimum of expense. Over 1,800 hearings have been held and the Commission has reviewed the record in 1,448 cases and approved the applications.

At the outset the Commission was faced with the complete disorganization of the freight motor carrier business. There were no settled rates and no business man had any assurance that his freight costs were the same as his competitor. Very few of the motor carriers had insurance of any kind and most claims against such carriers for personal injury, property damage or loss of cargo were uncollectible. The Commission began notifying carriers of the decisions in the cases on July 2, 1932. During the interim the Commission had been holding hearings in the cases and awaiting the decision of the United States District Court in order to settle all questions as to the validity of the law.

The following table illustrates the volume of work which has been handled by the Commission:

Total number of applications filed to date (50 of these are supplemental to and for extension of service in some previous case) . . .	2,130
Interstate—Common carriers	181
Interstate—Contract haulers	61
Interstate—Combination	0
Intrastate—Common carriers	1,655
Intrastate—Contract haulers	62
Intrastate—Combination	12
Complaints	5
Investigation and suspension of rates	4

Transfer of property.....	10	
Abandonment of service.....	1	
Of the 2,130 applications filed there have been approved.....		1,448
Licensed.....	439	
Not paid.....	147	
Dismissed.....	294	
Paid but held for orders, insurance, rates, etc.....	568	
		<hr/>
		1,448
Applications dismissed by orders.....		553
Non-payment of fees.....	243	
Non-appearance.....	126	
At request of applicant.....	77	
Failure to provide insurance.....	33	
Applications denied.....	23	
No jurisdiction.....	17	
Withdrawn by applicant.....	15	
Business disposed of.....	4	
Duplications.....	3	
Charter forfeited.....	3	
Evidence transferred.....	2	
Cases vacated by Commission.....	2	
Failure applicant to support case.....	2	
Applicant deceased.....	2	
Transferred to regular files.....	1	
		<hr/>
		553

The Commission received from truck operators \$71,191.63. Of this sum \$35,166.54 was turned over to the State Treasurer up to November 30, 1932. The Commission had on hand \$36,025.09. This money was being held by the Commission by reason of the failure of applicants to file insurance policies, tariff schedules or mileage certificates. Cases in which this money is being held will be disposed of during the month of December by the issuance of the certificate and turning the money over to the State Treasurer or the dismissal of the case for failure to comply with the law and return of the money to the applicant.

It is impossible to make any accurate estimate of the biennial revenue to be expected under the law. The \$71,191.63 was received during a period of six months and includes fees in the great majority of cases for a semi-annual period and in some cases for a quarterly period. It is undoubtedly true that there are a great many trucks operating in the state subject to the law which have not yet been brought under its provisions. The present depression may make it impossible for many of the truckers who are already licensed to secure insurance and pay their fees for the year 1933. It would be safe to estimate,

however, that under the present law collections from trucks for the next biennium should total at least \$250,000.00.

It is a great and difficult undertaking to introduce order into a business of the size and character of freight motor transportation in any short period. With the cooperation of the Highway Patrol, there have been over 300 arrests of illegal operators and in practically all cases convictions were secured. It will take some time before the Commission can have the business under effective control as in the case of busses, but the Commission expects with adequate appropriation for enforcement purposes to bring the trucking industry under as effective control as is passenger motor transportation today.

The Bus and Truck Law passed by the last General Assembly is in its general outlines one of the best laws of its kind in the United States. We believe it is fair and enforceable in practice. We further believe that recent decisions of the Supreme Court of the United States have laid at rest any doubts as to the validity of those portions of the law affecting contract haulers. It would be too much to expect that a new law in a field still in the experimental stage was without defects. We feel that we should call to attention certain amendments which should be made in the law, and also certain matters which the General Assembly should know, but as to which we make no recommendations.

Certain exemptions in the Bus and Truck Law have made enforcement of the law extremely difficult. Section 5265 of the law exempts "motor vehicles used exclusively in transporting farm and dairy products from the farm or dairy to warehouse, creamery, or other original storage or market." This exemption has created great difficulties in the enforcement of the act. Many operators claiming to come within the exemption are covertly carrying merchandise on their return trips. It is almost impossible to check these practices. The present law permits anyone to carry his own goods on his own truck and it will not entail any hardship on our agricultural interests to eliminate this exemption which is now being largely used to circumvent the law.

Under the present law there is no provision for reciprocity with other states. Under the laws of this state full reciprocity is given in the use of license plates. In Illinois there is a provision in the state law allowing trucks of other states to operate freely for hire where a similar privilege is extended to trucks of Illinois in such other states. We know of no other states adjoining

Missouri which have similar provisions. As the laws now stand, all interstate operators entering Missouri must apply for a permit and pay the license fee. It is possible that other states having a reciprocity provision may enforce onerous limitations upon the operations of Missouri trucks and precipitate a truck war. We recommend that the Legislature give attention to this question, without, however, making any recommendations.

Under the present law no one may operate a truck as a contract hauler or common carrier unless he shall have received a certificate or permit from the Commission. We believe these provisions are too inflexible and would recommend that the law be amended so that the Commission may have discretion, upon such conditions as it deems advisable, to grant the right to operate pending the issuance of an order by the Commission.

Under Section 5264 (b) of the act it is provided:

“* * * this act shall not be so construed as to apply to motor vehicles used in the transportation of passengers or property for hire, operating over and along regular routes within any municipal corporation or a municipal corporation and the suburban territory adjacent thereto forming a part of transportation system within such municipal corporation or such municipal corporation and adjacent suburban territory, where the major part of such system is within the limits of such municipal corporation.”

This provision was copied from the original bus act of 1927. It was the result of a compromise between the street railway and the motor bus interests in St. Louis. The language of the provision is ambiguous and there are seldom two like opinions as to its construction. We recommend that this provision be repealed and that the exemption cover simply all operations within any municipal corporation or a municipal corporation and its suburban territory.

There has been considerable controversy as to the jurisdiction of the Commission over interstate motor carriers whose entire operations in Missouri are confined to a city or a city and its suburban territory. Practically all the large cities of Missouri are on the Kansas or Illinois line and there is a great volume of interstate motor traffic confined exclusively to the streets of St. Louis, Kansas City, St. Joseph, Hannibal and their suburban territories. These cities are amply able to regulate this traffic

as they do the intrastate traffic confined to their borders. If the intrastate traffic confined to cities is under the exclusive regulation of the cities and the interstate traffic of the same kind is under our jurisdiction duplication of jurisdiction would seem illogical and uneconomical. Yet this seems to be what is provided in the act as it stands. It is provided by Section 5272 (a):

“ * * * that where a motor carrier is operating within this and an adjoining state and the total mileage of said route in Missouri is ten miles or less, the license fee shall be one-third of the license fee hereinafter set out.”

The above provision indicates that the legislature intended interstate operations of ten miles or less in Missouri to be under the jurisdiction of the Public Service Commission. In the case of all these border cities a distance of ten miles from the state line will be within the city limits for all practical purposes. However, doubt has been expressed as to the legislative intent and it is important that the language be clarified so that there will be no occasion for doubt.

If it is a true construction that the legislature intended us to have jurisdiction over some interstate traffic by the provision quoted from Section 5272, then a further uncertainty exists as to whether or not such jurisdiction extends to all such interstate traffic terminating in the cities or only to that part of the interstate traffic originating outside of the distance defined as suburban territory of such cities. Controversy has arisen with reference to the meaning of subdivision (e) of Section 5264, which defines the term “suburban territory.” Adjacent to the large cities on the border is a territory which is a part of the business life of the Missouri cities. The motor traffic between the Missouri cities and the Illinois and Kansas cities adjoining them is indistinguishable from the local traffic in the Missouri cities. They form one metropolitan area. It has been argued that, though of course the Commission has no jurisdiction outside the borders of the state, yet the definition of “suburban territory” describes an area within and without the state in which traffic movements, though partly within the state, are withdrawn from our jurisdiction.

Litigation is now pending involving some of these questions. They are of such importance that an amendment clarifying the provision would be of great help in the enforcement of the law. Our judgment is that the best policy is to leave to the cities the

exclusive regulation of the traffic, both intrastate and interstate, which is wholly confined to such cities.

The inspectors of the Commission do not have power of arrest. They have been compelled to rely upon the cooperation of county law enforcement officers and the State Highway Patrol. They have received splendid cooperation from both of these sources. At present the Commission has only three inspectors to cover the entire state. We believe that the General Assembly should appropriate sufficient for at least six inspectors. Without an adequate force of inspectors it will be difficult to enforce the law efficiently. The inspectors are revenue producers. An adequate force of inspectors will enable us to bring in all who are subject to the law and increase the collections of the Commission. We recommend that the General Assembly increase the number of inspectors to six.

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