

BIENNIAL REPORT

*of the*

Public Service Commission

For Years Ending November 30, 1935  
and November 30, 1936



1936

*Commissioners*

SAM. O. HARGUS, *Chairman*

W. M. ANDERSON

ALBERT D. NORTONI

JOHN S. BOYER

JOHN A. FERGUSON

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JEFFERSON CITY, MISSOURI

## MISSOURI PUBLIC SERVICE COMMISSION

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SAM O. HARGUS, Chairman.....Kansas City  
W. M. ANDERSON, Commissioner.....Harrisonville  
JOHN S. BOYER, Commissioner.....St. Joseph  
ALBERT D. NORTON, Commissioner.....St. Louis  
JOHN A. FERGUSON, Commissioner.....Cape Girardeau

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ROBERT E. HOLLIWAY, Secretary.....Jefferson City  
JAMES P. BOYD, General Counsel.....Paris  
S. B. NELSON, Engineer.....Kansas City  
GEORGE B. COLEMAN, Acting Chief Accountant.....St. Louis  
R. E. DUFFY, Chief Electric and Mechanical  
Engineer.....Greenfield  
V. E. SMART, Chief Rate Expert.....Jefferson City  
A. J. SNEDEKER, Supervisor of Motor Bus  
Department.....Columbia

LETTER OF TRANSMITTAL

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STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

Jefferson City, Mo.,  
January 6, 1937.

*To His Excellency, Guy B. Park, Governor of Missouri:*

Dear Sir: I have the honor to transmit the Biennial report of the Public Service Commission of Missouri, covering the period from November 30, 1934, to November 30, 1936, inclusive.

Very respectfully yours,

SAM O. HARGUS, Chairman.

## STATE OF MISSOURI

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### BIENNIAL REPORT FOR THE YEARS 1935 AND 1936 OF THE PUBLIC SERVICE COMMISSION

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#### STATEMENT BY THE COMMISSION

During the biennium just closed the Commission performed a great volume of work by completing appraisals and audits of a number of large utilities, ordering reductions in utility rates and adopting a policy which seeks the extension of electrification to all rural communities of Missouri.

The activity of the Commission is best shown through the issuance of 7,703 orders during the period.

The work of the Commission is divided into two broad classifications, the regulation and supervision of the utilities under the original Commission Law and the administration of the so-called Bus and Truck Law of 1931.

The administration of the Bus and Truck Law continued to account for much of the increased work of the Commission. Of the total number of orders issued during the biennium 6,976 related to truck and bus cases, while the department collected approximately \$1,000,000 for the support of the state road fund.

In the administration of the general Commission Law there were 727 orders issued. During the same period 398 new cases and 116 motions were filed on the regular Commission docket.

There were four new appointments to the Commission during the period. John S. Boyer of St. Joseph, former Commissioner of the Kansas City Court of Appeals, was appointed a member of the Commission, effective June 1, 1935, to succeed Harry E. McPherson of St. Joseph. Sam O. Hargus, who was General Counsel for the Commission, was appointed member and designated as Chairman September 1, 1935, succeeding J. C. Collet, who resigned to accept appointment as Judge of the Supreme Court. Albert D. Nortoni, former Judge of the St. Louis Court of Appeals, was appointed a member effective April 16, 1936, succeeding William Stoecker of Webster Groves. John A. Ferguson, Lawyer, of Cape Girardeau, was appointed a member

effective June 16, 1936, succeeding Col. George H. English, who resigned to accept appointment with the Bureau of Motor Carriers, Interstate Commerce Commission, Washington, D. C. The other member of the Commission is W. M. Anderson of Harrisonville.

James P. Boyd of Paris, Missouri, who had been Assistant Counsel for the Commission, was appointed General Counsel September 9, 1935, succeeding Mr. Hargus. Daniel C. Rogers of Fayette, Missouri, was appointed Assistant Counsel, effective September 16, 1935.

Through his untimely death on September 2, 1935, the Commission lost its Chief Accountant, A. J. Baragiola. George B. Coleman has been acting Chief Accountant.

During the biennium the Engineering and Accounting Departments completed the appraisal and audit of the Union Electric Light & Power Company of St. Louis, which is one of the largest utilities in the Middle West. It required more than five years for the engineers and accountants to complete the work and hearings on their reports were held before the Commission last June. For the first time in the history of the Commission the body adopted the system of filing a record of direct evidence which had been taken prior to the time of the hearing. The hearing which would have ordinarily required from 12 to 15 weeks was completed in 10 days. A report and order in this case will be issued soon.

The Engineering Department also completed appraisals of five other utilities. These utilities, which include the Union Electric Light & Power Company, have a reproduction cost exceeding \$143,500,000.

The department is now engaged in the appraisal of the Kansas City Power & Light Company, Kansas City Gas Company, the Kansas City Exchange of the Southwestern Bell Telephone Company, and the Springfield Gas & Electric Company.

The Commission in November, 1936, directed the Engineering and Accounting Departments to make a state-wide appraisal and audit of the properties of the Southwestern Bell Telephone Company embracing 87 towns and cities in Missouri.

The Accounting Department during the biennium completed the audits of 9 large utilities and is now engaged in the audits of the Kansas City Power & Light Company, Springfield Gas & Electric Company and the state-wide audit of the South-

western Bell Telephone Company. These properties have a book value of approximately \$345,000,000.

Investigations made by the department on security applications resulted in the Commission authorizing the issuance of stock totaling \$415,525, 45,401 stock shares of no par value, notes totaling \$3,721,000, and bonds totaling \$106,803,700.

The stock, bond and note issues authorized during the period was more than 300 per cent greater than the amount authorized in the preceding two years. The increase can be regarded as an important index to business recovery.

The soundness of the policy of the Commission in regulating security issues was again reflected through the small number of defalcations in bond interest of Missouri utilities.

During the period the Commission ordered annual rate reductions totaling \$1,786,003 for electric, gas, water, telephone and steam heating utilities. In addition gas rates in St. Louis were reduced approximately \$350,000 annually, but the Commission's order was appealed to the Supreme Court. Telephone toll rates throughout the state were reduced, resulting in a saving of \$189,500 to telephone users.

The Commission devoted a great deal of thought and work to the program of electrifying all rural sections of Missouri.

In the program to develop electric service in rural areas members of the Commission and the Chief Engineer of the Electric Department conferred with the Rural Electrification Administration at Washington, D. C., and offered full cooperation to the Administrator.

During the period the Commission made a thorough study and investigation of the rates charged by the Missouri Power & Light Company for electric service furnished rural customers. An exhaustive study was made of the books and records of the utility, as well as the records of individual customers. From that investigation the Commission ordered a reduction in rural rates and a change in its extension rules so that service could be extended to new customers under more liberal terms.

The Legal Department of the Commission handled approximately 100 cases during the biennium. It also gave assistance to prosecuting attorneys throughout the state in the enforcement of the misdemeanor section of the Public Service Commission Law.

The Transportation Department conducted an investigation in railroad rates on bituminous coal which resulted in a great

saving to Missouri coal mines. The reduction, which was on carload lots for hauls of less than 100 miles, placed Missouri coal mines on a more equitable basis with the mines of Illinois and Iowa.

The department conducted a general investigation which resulted in the issuance of an order prescribing truckload rates, effective June 1, 1935, establishing rates on a uniform mileage basis covering the entire state. The actual rates are about 75 to 80 per cent of the less than truckload basis of rates prescribed by the Commission in the previous biennium.

The records of the Bus and Truck Department reveal that the collections for the support of the state road fund increased from \$537,175 in the previous biennium to \$977,632 in the biennium just closed.

This increase is accounted for by a greater number of trucks operating under the jurisdiction of the Commission and a more rigid enforcement of the provisions of the Bus and Truck Act.

In the enforcement of the Bus and Truck Law the Commission has had the full cooperation of the State Highway Patrol and the State Highway Commission.

The enactment of the Federal Motor Carrier Act of 1935 resulted in a great increase in the work of our department.

Copies of more than 4,500 applications filed with the Federal Bureau of Motor Carriers have also been filed with our Commission. These applicants are seeking to engage in interstate commerce in Missouri.

The Federal Act provides for joint boards to hear the applications of interstate operators. As a result, our Commission has designated one board member and one alternate member. A great deal of their time has been devoted to joint board hearings within recent months.

During the biennial period the department issued 503 new authorities to truck operators. At the close of the period there were 1,091 authorized truck operators and 68 bus operators, as compared to 1,011 truck operators and 91 bus operators at the close of the previous biennium.

While the 1935 session of the Legislature provided for Ports of Entry, no appropriation was made for the administration of the act. No ports were established because of a ruling by the Attorney-General that all receipts from a port must be turned into the State Treasury instead of being used for establishing and

maintaining ports. However, the Commission has promulgated the necessary rules to put the amendment into operation.

The great increase in the work of the Bus and Truck Department has resulted in a need for increased personnel, both in the office and in the field.

Various investigations have been made of so-called contract haulers and in a number of cases such carriers have been required to qualify as common carriers and pay fees to the state. Under the provisions of the Constitutional Amendment of 1928 contract carriers are relieved of paying any fees to the state.

Detailed reports of the various departments follow:

### ENGINEERING DEPARTMENT

The personnel of the department during this period has consisted on an average of fifty-five engineers, clerks, and stenographers, under the supervision of the Chief Engineer. One chief assistant and one assistant engineer, and two clerks who act as stenographers 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 this department include:

- (a) Appraisals 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) Investigations to determine the necessity and safety of switch and sidetrack connections.
- (e) All matters relating to vertical and horizontal clearances with railroad and street railway tracks.
- (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) All matters relating to the service offered by railroad companies at railroad stations.
- (i) All drainage investigations.



- (j) Introduction of testimony and assistance in examination of witnesses in all matters of appraisal work and other engineering problems.
- (k) Assistance in the preparation of reports involving engineering problems and appraisals of properties for rate base purposes.

During the biennium ended November 30, 1936, this department wrote reports and recommendations in one hundred thirty-five cases, and handled correspondence relative to numerous complaints as to grade crossings, station service, value of property in various towns, and other matters relating to the valuation of utility properties.

This department made an extensive study during the past biennium, investigating the practicability and feasibility of distributing straight natural gas in St. Louis. The study involved the natural gas supply, pipe line capacity, the cost of additional pipe line capacity, the cost of artificial gas manufacturing equipment becoming non-useful in the event of introduction of straight natural gas, the cost of manufacturing a substitute for straight natural gas, and the estimated savings that might be made by the use of straight natural gas.

In connection with the Commission's proposed General Order inaugurating a continuous inventory system for all utilities in Missouri, this department made an investigation as to the procedure to be followed in maintaining such information, the cost of carrying on such a system, and the anticipated savings in the cost of making appraisals.

The Commission has now ordered and is about to begin a state-wide investigation of the properties of the Southwestern Bell Telephone Company in Missouri.

#### APPRAISALS OF PROPERTIES OF PUBLIC UTILITIES

During the biennium ended November 30, 1936, this department completed appraisals of utility properties, the cost of reproduction of which exceeds \$143,500,000. These properties are as follows:

- Missouri Public Service Company
- Ozark Utilities Company
- Independence Waterworks Company
- Pleasant Hill Gas Company

Interstate Gas Company  
 Union Electric Light & Power Company.

The department is now engaged in the appraisal of the properties of the following companies:

Kansas City Power and Light Company  
 Kansas City Gas Company  
 Southwestern Bell Telephone Company (Kansas City Exchange)  
 Springfield Gas and Electric Company.

### INVESTIGATIONS OF GRADE CROSSINGS

During the biennium ended November 30, 1936, the Commission made investigations and issued reports and orders permitting the following changes within the state:

New grade crossings established . . . . .	47
Viaducts constructed over tracks . . . . .	32
New viaducts replacing old viaducts . . . . .	4
Subways constructed under tracks . . . . .	8
New subways replacing old subways . . . . .	1
Grade crossings eliminated by viaducts or subways . . . . .	6
Grade crossings eliminated by changes in roads . . . . .	20
Grade crossings provided with special signal protection . . . . .	7
Crossing protective devices removed . . . . .	1

This department required railroads to submit complete information regarding all fatal grade crossing accidents. The information required consists of a map of the railroad and highway at the site of the accident, photographs of the crossing, traffic surveys, and other information. The reports submitted are studied by this department to determine the necessity of grade crossing protection or of grade separations.

A compilation of the accidents occurring during the biennium ended November 30, 1936, disclosed the following information:

	Steam.		Electric.		Total.	
	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.
Passengers . . . . .	2	335	1	2,306	3	2,641
Employees . . . . .	37	563	3	6	40	569
Trespassers . . . . .	182	181	2	7	184	188
*Non-trespassers . . . . .	135	348	35	1,659	170	2,007
Totals . . . . .	356	1,427	41	3,978	397	5,405

\*Includes grade crossing accidents.

Grade crossing accidents.	Killed.	Injured.
Train striking vehicle.....	77	163
Vehicle striking train.....	33	11

## INVESTIGATIONS OF SIGNAL SYSTEMS AND INTER-LOCKING PLANTS

This department investigated and approved the plans for the installation and changes of interlocking and signal systems at Cole Junction, St. Joseph, Harrisonville, Dodson, Lake Junction, and Last Chance, Missouri.

## REGULATION OF RAILROAD SERVICE

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

## STEAM RAILWAY CLEARANCE

Investigations were made and assistance given by this department relative to nine requests for permission to construct tracks and structures with clearances less than prescribed by law and Commission's General Order No. 24.

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## DEPARTMENT OF STATISTICS AND ACCOUNTS

The personnel of this department consists of the chief of the department, fourteen accountants and one clerk.

The duties and activities of the department are as follows:

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

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

(c) Preparing, mailing, receiving and filing annual reports of Electric, Gas, Water and Heating utilities, Telephone Cor-

porations, Street Railways, Railroads and Bus and Truck Operators.

(d) Checking the accuracy of annual reports filed by the utilities and bus and truck operators, securing corrections of inaccuracies or omissions in such reports and ascertaining rates of return.

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

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

(g) Analyzing applications for security issues 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.

(i) Cooperating with Federal Commissions in matters pertaining to Uniform Systems of Accounts and Security Issues.

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

1. Cupples Light, Heat and Power Company
2. Interstate Gas Company
3. Independence Waterworks Company
4. Kansas City Gas Company
5. Missouri Public Service Company
6. Ozark Utilities Company
7. Pleasant Hill Gas Company
8. St. Charles Electric, Light and Power Company
9. Union Electric Light and Power Company.

All of the audits made by this department involved valuations and rates, information being presented showing original cost (where procurable) and the revenues and expenses and net return, so that the propriety of rates could be determined. Many communities were involved, for example, one of the utilities audited serves 121 communities, another 107, and another 39.

In addition the following audits were in progress on November 30, 1936:

1. Kansas City Power & Light Company—Supplemental Audit
2. Springfield Gas and Electric Company
3. Southwestern Bell Telephone Company—State-wide.

The properties included in the foregoing groups have a book value of approximately \$345,692,303.23.

The Commission has never before undertaken the investigation of so many large companies at one time and the forces of the department are being taxed to their utmost capacity.

This department analyzed applications filed with the Commission by the utilities for authority to issue stocks, bonds, notes or other securities, and has been represented at hearings upon such applications.

The security applications investigated by the department resulted in the Commission authorizing the following issues:

TABLE SHOWING ALL AUTHORIZATIONS TO ISSUE STOCKS, BONDS AND NOTES UNDER THE PUBLIC SERVICE COMMISSION LAW FROM DEC. 1, 1934, TO NOV. 30, 1936.

Case No.	Name of company.	Class of security.	Amount authorized.	Date of authority.
8899	Laclede Gas Light Company . . . . .	Notes . . . . .	\$3,000,000.00	12-21-34
8914	Kansas City Public Service Co. . . . .	Notes . . . . .	400,000.00	2-14-35
8927	Citizens Public Service Co. . . . .	Common stock . . . . .	2,801 shares	3- 1-35
8947	Kansas City Power and Light Co. . . . .	1st Mtg. bonds . . . . .	2,750,000.00	4-16-35
8958	St. Louis County Water Co. . . . .	Bonds . . . . .	3,800,000.00	4-26-35
8958	St. Louis County Water Co. . . . .	Preferred stock . . . . .	394,000.00	4-26-35
9025	Ironton-Arcadia Telephone Co. . . . .	Stock . . . . .	8,000.00	10- 9-35
9042	Missouri Telephone Co. . . . .	Bonds . . . . .	700,000.00	10- 3-35
9055	Missouri Power & Light Co. . . . .	Bonds . . . . .	800,000.00	11-21-35
9058	Missouri Utilities Co. . . . .	Bonds . . . . .	2,698,700.00	11- 9-35
9063	Laclede Power and Light Co. . . . .	Bonds . . . . .	6,000,000.00	11-19-35
9063	Laclede Power and Light Co. . . . .	Preferred stock . . . . .	30,000 shares	11-19-35
9075	Eldorado Springs Telephone Co. . . . .	Stock . . . . .	4,200 shares	11-20-35
9077	Southwestern Bell Telephone Co. . . . .	Bonds . . . . .	45,000,000.00	11-26-35
9102	Consumers Public Service Co. . . . .	Bonds . . . . .	25,000.00	2-20-36
9109	Webster County Telephone Co. . . . .	Note . . . . .	6,000.00	2-17-36
9111	Springfield City Water Co. . . . .	Bonds . . . . .	2,700,000.00	2-24-36
9116	Central West Utility Co. . . . .	Stock . . . . .	10,000.00	4-17-36
9116	Central West Utility Co. . . . .	Bonds . . . . .	90,000.00	4-17-36
9123	East Missouri Power Co. . . . .	Bonds . . . . .	250,000.00	3-27-36
9126	Mendon-Sumner Telephone Co. . . . .	Notes . . . . .	11,500.00	5- 8-36
9127	St. Joseph Water Co. . . . .	Bonds . . . . .	2,600,000.00	4-14-36
9154	Citizens Public Service Co. . . . .	Common stock . . . . .	7,000 shares	5-29-36
9155	Citizens Electric Co. . . . .	Common stock . . . . .	1,400 shares	5-29-36
9172	Independence Waterworks Co. . . . .	Bonds . . . . .	404,000.00	6- 9-36
9191	Pleasanton Telephone Co. . . . .	Preferred stock . . . . .	3,525.00	7-31-36
9202	Missouri Union Telephone Co. . . . .	Notes . . . . .	30,000.00	9- 3-36
9219	Kansas City Power & Light Co. . . . .	Bonds . . . . .	38,000,000.00	8-28-36
9225	Kansas City Public Service Co. . . . .	Notes . . . . .	270,000.00	9- 4-36
9230	Missouri Telephone Co. . . . .	Bonds . . . . .	750,000.00	9-17-36
9260	Sedalia Water Co. . . . .	Bonds . . . . .	936,000.00	11-9-36
9261	Rosebud Telephone Co. . . . .	Note . . . . .	3,500.00	10-21-36

RECAPITULATION.

Total stock . . . . .	\$415,525.00
Total stock—no par value . . . . .	45,401 shares
Total notes . . . . .	\$3,721,000.00
Total bonds . . . . .	\$106,803,700.00

The amount of the stock, bond and note issues in this biennium was more than 300 per cent greater than the amount authorized in the preceding biennium, yet the condition in the present biennium was far from normal. However, the increase is an important index to business recovery.

The Commission continued to enjoy its exemplary record in the small number of defalcations in bond interest of Missouri Public utilities, which is indicative of the soundness of the policy of regulating security issues.

The annual reports filed in this department, during the biennium, by the utilities, railroads and the bus and truck operators approximate 1,000 reports. In checking the correctness of these reports more than 900 letters of inquiry have been mailed. Only a cursory examination has been made of the bus and truck reports by reason of insufficient personnel.

On October 8, 1935, the Commission authorized widespread distribution of the Second Annual Statistical Report on Electrical Utilities operating in Missouri in 1934 which was issued by this department. Of the 2,050 copies printed, 1,209 copies have been sold and 428 copies distributed free to Federal and State Commissions and other interested parties. The proceeds from sales exceeded the cost of printing. Therefore, copies were widely distributed without cost to the Commission.

The fees collected during the biennium, exclusive of fees in the Bus and Truck department, were as follows:

Audits and appraisals (salaries and expenses) . . .	\$379,751.35
Bond issues . . . . .	2,213.85
Miscellaneous collections . . . . .	18,871.48
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Total . . . . .	\$400,836.68

This department is entrusted with keeping the Commission advised as to the expenditures made from the various appropriations. All departments operated well within their appropriations during the biennium.

The inauguration of accounting systems for bus and truck operators and annual report requirements has increased routine and other work of the department without an increase in personnel.

The department has been called upon to furnish much statistical and miscellaneous data to the Rural Electrification and other Federal Commissions, State Commissions, municipalities and investment houses which we believe was of considerable benefit to them

## THE ELECTRIC, WATER, GAS, TELEPHONE, TELEGRAPH AND STEAM HEATING DEPARTMENT

The personnel of this department consists of the Chief of the department, an assistant engineer, clerk and stenographer.

The work of the department covers:

(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 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 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 insofar as the public interest, public health and safety of the public and employees are concerned.

(g) 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 extension of utility service and the charges for such service.

Attended hearings in which sales of utility property were involved, and the amount of securities or liens that the prospective purchasers or other owners were asking to make.

(h) Making studies and surveys of the conditions surrounding the extension of electric lines in order that service may be extended to rural areas throughout the State. This work has

required particular attention concerning the type of line that may be adequate for rendering the service, but at the same time encourage the construction by the use of that type of line that can be constructed at the lowest cost.

During this period the Commission made a thorough study and investigation of the rates charged by one of the largest electric utilities in the State for electric service furnished to rural customers, and the rules and regulations under which the electric lines are constructed to extend the service to customers not before served. The books and records of the utility were examined and the records of each customer studied. That company serves the largest rural area in the State, and probably the largest number of typical rural customers.

From that investigation the Commission found that the rates for that utility should be reduced, and its extension rules changed so that service could be extended to new customers under more liberal terms than heretofore furnished. The various items of cost that enter into the construction of the lines, as well as maintenance and operation, together with the cost of furnishing the service was studied. That survey and study resulted in a general form of rate schedule and extension rule that it is understood the Commission contemplates putting into effect as a general rural plan throughout the State.

In the carrying out of the effort to develop electric service in rural areas, studies have been made with the Rural Electrification Administration, Washington, D. C. Conferences have been had with the Administrator of that department and an effort has been made to cooperate with him in this program. The purposes of such cooperation have been to bring to rural areas of this State all the benefits that are possible to secure, both from the efforts of the State and the Federal Administration. While all that is desired has not been accomplished, many puzzling problems have been clarified, and changes made in the rates and the rules that are a step in the right direction to a wider use of electricity throughout the State.

During the biennium 5,343 letters and 213 reports and orders were written. In addition to writing the letters, it is necessary to collect information and data, and make copies of enclosures to be sent with the letters. During the period covered by this report 1,411 schedules of rates, rules and regulations were filed. Also 173 hearings and conferences were attended.



During this period the charge for the hand set, or mono-phone type of instrument, has been reduced until now the charge is not greater than 15 cents per month above the desk set charge in all schedules that show a difference in charges for wall set and desk set service. When the hand set was first inaugurated the charge was 50 cents per month extra. Some of the telephone companies have filed increased rates which are not increases in rates for the service previously furnished, but new rates to apply to service after changing the system from magneto to common battery. In each instance the changes were made at the request of the subscribers served.

Reductions in utilities' annual gross revenues, resulting from the filing of new schedules, are shown in the table below:

	From Nov. 30, 1934, to Nov. 30, 1936.
Electric.....	\$936,859.23
Gas.....	1,661.00
Water.....	25,500.00
Telephone.....	782,834.90
Steam heating.....	39,148.40
<b>Total.....</b>	<b>\$1,786,003.53</b>

The above reduction does not include the figure of \$350,-000.00, the amount of the reduction ordered by the Commission in Case No. 5217. The Commission found that the Laclede Gas Light Company should file reduced schedule of rates, resulting in the above reduction, which would have affected 180,000 mixed gas consumers and 20 natural gas consumers. The case is now pending in the court.

The above figures show that the rates for this service are continuing to be reduced. The rates for electric service are now lower than have ever been charged in this state. The increased use of the service resulting from the lower rates and the improvement in appliances, and the ever-growing kinds of electrical appliances, makes the electrical industry continue to expand.

Telephone toll rates throughout the state have been reduced, resulting in a saving of \$189,500.00 to the users of that service. The reduced rates apply between the hours of 7:00 p. m. and 4:30 a. m. on week days and all day on Sundays. The time during which the reduced rate is effective was extended, as well as the rates themselves were reduced.

The equipment used by various water utilities of the state for treating the water supplied by the particular water utility have been investigated. All investigations, except one, have been completed. Some improvements have been made in the plant that is under investigation. The investigation has not been completed to determine whether or not additional improvements should be made. None of the improvements have resulted in increased rates.

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## TRANSPORTATION DEPARTMENT

To this department is assigned the general supervision of the Commission's activities in the administration of the various laws that provide for the regulation of the rates, charges, rules, regulations and practices of railroad, street railroad, interurban, express, sleeping car, motor bus and motor truck companies.

The personnel of the department consists of a Chief Rate Expert who supervises the department, one railroad rate expert, one motor carrier rate expert and one stenographer-clerk.

All tariff publications of these common carriers and also contract haulers sent to the Commission for filing are carefully inspected by the rate experts, any changes in rates proposed are carefully scrutinized and the new rates tested to determine their apparent lawfulness. Tariff Schedules that are found to be unlawful in any particular are promptly rejected. If the proposed changes in rates are complained of or appear to result in discriminations or unreasonable rates, the schedule is assigned for investigation and frequently the schedule is suspended from going into effect pending the determination of the investigation.

In addition to maintaining the legal files of Missouri intra-state rates, the department also maintains an extensive file of interstate tariffs published by railroads, bus, truck, express and sleeping car companies. These files are used daily in making rate quotations to other State Departments, for comparing state and interstate rates, and in giving quotations to the public. The railroad, bus and truck rates in effect in surrounding states are also kept on file for similar reference work. These tariff files are being used more extensively since the regulation of motor carrier rates, fares and charges.

The department annually accumulates and compiles essential statistics for rail and motor carriers from the annual reports required of them by the Commission. To the extent possible

these statistics are exchanged with the regulating bodies of surrounding states for the purpose of comparisons, not only between states, but with similar statistics prepared by the Interstate Commerce Commission, the Federal Coordination of Transportation, etc.

#### RATE LEVELS

At the close of this biennial period the bus fares and railroad coach fares are on approximately the same basis in Missouri—two cents per mile; the less than carload rates of the railroads and the less than truckload rates of the freight motor carriers are on a practical parity. There is no general similarity between the truckload rates maintained by the railroads, altho the general body of truckload rates have been fixed by this Commission so far as transportation between points in Missouri is concerned. The railroad class rates in Missouri have been revised during the year 1936, the changes, so far as Missouri intrastate rates are concerned being reductions.

During the period beginning April 22, 1935, and continuing through the balance of this biennial period the railroads have assessed emergency surcharges in connection with the rates and charges theretofore in effect. These surcharges were in varying amounts as set forth in the appendix to the Interstate Commerce Commission's decision in *Emergency Freight Charges, 1935*, 208 I. C. C. 4, and are now published to expire Dec. 31, 1936.

As a result of an investigation by this Commission the railroad rates on bituminous coal in carloads were reduced for hauls of less than 100 miles, bringing rates for those distances on a basis more reasonable and fair as compared with the present rates on this commodity in Illinois and Iowa, and making the rates for these distances more attractive to Missouri coal mines served by railroad, and making the competition with truck hauled coal less severe. The Commission's order in that proceeding was sustained by the Circuit Court of Cole County and is now pending on appeal in the Missouri Supreme Court. The reduced rates were published by the railroads and are in full force and effect.

During this biennial period, pursuant to proceedings before this Commission, motor passenger carriers have established joint fare arrangements between points in Missouri so that tickets can be sold over two or more lines, with baggage checking arrangements so that passengers will not have to attend to rebuy-

ing tickets or rechecking of baggage at transfer points. Joint bus depot facilities are becoming more prevalent. Improved types of coaches are being substituted for old equipment on the major bus routes.

The general investigation conducted by this Commission into freight rates of motor carriers resulted in an additional report and order prescribing truckload rates which became effective on June 1, 1935. These rates are on a uniform mileage basis covering the entire State of Missouri. The actual rates are about 75 to 80 per cent of the less than truckload basis of rates previously prescribed by this Commission and mentioned in our last biennial report.

The last Congress enacted a Motor Carrier Act known as Part II of the Interstate Commerce Act. Passenger and Freight Motor carriers have been required to file their tariffs containing interstate rates with the Interstate Commerce Commission in Washington, D. C. This department has accumulated quite a file of interstate tariffs containing rates applicable to or from Missouri points. It has also participated in two proceedings before the Interstate Commerce Commission involving the level of these interstate rates.

Due to changes by the Interstate Commerce Commission of its Rules Governing the Construction and Filing of Freight Tariffs, this department has prepared a revision of this Commission's rules covering the same subject, which is before the Commission for hearing and adoption at the close of this biennial period.

During the biennial period December 1, 1934, to November 30, 1936, this department has received and disposed of 808 applications seeking authority to establish rates under emergency conditions upon less than statutory notice and filing.

## STREET RAILWAYS

Street car traffic in Kansas City and St. Louis the past two years has shown encouraging improvement with better service results. The weekly pass innovation instituted in Kansas City in 1933 has been maintained throughout the period and its use by the public indicates its popularity. The price of this pass remains at \$1.25. The shoppers ticket is still provided for St. Louis street car riders.

## RELOCATIONS OF RAILWAY LINES

The completion of the new St. Charles railroad bridge across the Missouri River and the relocation of its tracks by the Wabash Railway, have resulted in decreasing the rail distance between St. Louis and St. Charles, Mo., seven-tenths (.7) of one mile. (I. C. C. Finance Docket No. 10833, unreported).

## RAILROAD ABANDONMENTS

Railroad abandonments in Missouri during this period are as follows:

*St. Louis-San Francisco Ry. Co.*

From Missouri-Kansas state line west of Belton to Clinton, and from Tracy Jet. to Phenix, distance 110.3 miles. (I. C. C. Finance Docket No. 10234, 202 I. C. C. 641.).

From Brownington to Lowry City, a distance of 6.18 miles. (202 I. C. C. 185).

*Missouri Pacific Railroad.*

From Lake Jet. to a point 1,000 feet east of Masso Spur, a distance of 5.4 miles. (202 I. C. C. 595).

*Boonville, St. Louis and Southern Ry. Co. (Missouri Pacific R. R. Co., lessee).*

From Boonville to Versailles, a distance of 43 miles. (I. C. C. Finance Docket No. 10897, unreported).

*Cape Girardeau and Northern.*

Between Perryville and Perryville Jet., a distance of 12 miles.

*Chicago, Burlington & Quincy Railroad.*

From Sedan, Iowa, to Novinger, Mo., distance 31.25 miles. From South Gifford to Elmer, Mo., distance 4.69 miles. (I. C. C. Finance Docket No. 10969, unreported).

An application of the Chicago, Rock Island and Pacific Railway, before the Interstate Commerce Commission, to abandon its line from Lackland Junction to DeBalivere Ave., a distance of approximately 6.65 miles in St. Louis City and St. Louis County, is still pending.

The following statements contain data concerning the mileage of various railways operating in Missouri as of December 31, 1935.

**MILEAGE OF STEAM AND ELECTRIC RAILWAYS, CITY STREET RAILWAYS AND EXPRESS COMPANIES OPERATED  
IN MISSOURI ON DECEMBER 31, 1935.**

**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 Alton Railroad Co.....	252.62	20.03			14.96	83.21	370.82
The Atchison, Topeka and Santa Fe Ry. Co.....	309.35	200.49	15.18	.41	18.09	136.55	680.07
Chicago, Burlington & Quincy R. R. Co.....	1,138.59	129.63			75.96	390.49	1,734.67
Chicago Great Western R. R. Co.....	101.24	3.61			1.38	44.13	150.36
Chicago, Milwaukee, St. Paul & Pacific R. R.....	147.98	44.42	6.48	5.44	4.46	98.70	307.48
Chicago, Rock Island & Pacific Ry.....	595.26	86.51	5.38	5.36	19.41	196.75	908.67
The Kansas City Southern Railway Co.....	201.16	10.50			39.52	100.55	351.73
Missouri and North Arkansas Ry. Co.....	69.10				.47	12.44	82.01
Missouri-Illinois Railroad Co.....	99.74				7.87	37.19	144.80
Missouri-Kansas-Texas Railroad Co.....	470.22	28.29			14.39	158.61	671.51
Missouri Pacific Railroad Co.....	1,629.20	211.92	1.50		128.33	598.56	2,569.51
Quincy, Omaha and Kansas City R. R. Co.....	246.93	1.09			4.35	18.69	271.06
St. Louis-San Francisco Ry. Co.....	1,558.01	60.25			170.88	409.13	2,198.27
St. Louis Southwestern Railway Co.....	230.24	23.25				81.07	335.16
Wabash.....	645.94	83.43	13.38		34.45	270.39	1,047.59
Totals.....	7,695.58	903.42	41.92	11.21	534.52	2,637.06	11,823.71

SMALL ROADS AND SWITCHING ROADS IN MISSOURI—  
MILEAGE.

	Average mileage.
SMALL ROADS	
Bevier and Southern Railroad Co.....	10.20
Cassville and Exeter Railway Co.....	4.70
Missouri Southern Railroad Co.....	69.56
Rockport, Langdon and Northern Ry. Co.....	5.65
Shelby County Railroad Co.....	8.50
Shelby Northwestern Railway Co.....	21.50
St. Joseph and Grand Island Railway Co.....	.44
St. Louis and Hannibal Railroad Co.....	50.80
St. Louis and Troy Railroad.....	5.2
Total.....	176.55
SWITCHING ROADS	
Hannibal Connecting Railroad.....	2.94
Illinois Terminal Railroad.....	3.29
Kansas City Connecting Railroad.....	3.313
Kansas City Terminal Railway Co.....	123.91
Missouri-Illinois Bridge and Belt Railway.....	3,548
Manufacturers Railway.....	33.25
Rock Island and Frisco Terminal Railway Co.....	15.03
St. Joseph Terminal Railway Co.....	13.74
St. Joseph Belt Railway Co.....	20.66
Terminal Railroad Association.....	171.38
Union Terminal Railway Co.....	24.24
Leavenworth Terminal Railway and Bridge Co.....	1.01
St. Joseph Union Depot Co.....	2.21
Hannibal Union Depot Co.....	.90
Joplin Union Depot Co.....	6.54
Total.....	425.961

ELECTRIC RAILROADS OPERATED IN MISSOURI—  
MILEAGE.

	Average mileage.
ELECTRIC INTERURBAN RAILROADS	
Joplin-Pittsburg Railroad Co.....	18.33
St. Francois County Railroad Co.....	7.68
North Kansas City Bridge and Railroad Co.....	10.406
Southwest Missouri Railroad Co.....	28.23
Total.....	64.646
CITY STREET RAILWAYS	
Kansas City Public Service Co.....	119.05
Missouri Power and Light Co., Jefferson City.....	*
St. Louis Public Service Co.....	414.51
St. Joseph Railway, Light, Heat and Power Co.....	38.53
Springfield Traction Co.....	**53.73
Total.....	625.82
EXPRESS COMPANIES	
Railway Express Agency, Inc.....	

\*Operates busses exclusively.

\*\*34.00 miles operated by busses.

**LEGAL DEPARTMENT**

During the biennial period ending November 30, 1936, this department has handled approximately one hundred cases. In addition, it has assisted prosecuting attorneys throughout the state in the enforcement of the misdemeanor section of the Public Service Commission Law.

As outstanding in the proceedings had in the various suits, begun, ended or disposed of during this period, the following might be noted:

1. STATE EX REL. THE ALTON RAILROAD COMPANY, ET AL. VS. PUBLIC SERVICE COMMISSION (Commission Case No. 8966): This case was recently transferred to the Kansas City Court of Appeals from the Supreme Court. In view of the fact that the Kansas City Court of Appeals has in several cases denied its jurisdiction of Public Service Commission cases, it is safe to say that in the near future the appeal of the case will be dismissed by that court. Thereby the Commission's order of July 25, 1935, making a reduction on intrastate coal rates in Missouri will continue to benefit coal shippers and consumers indefinitely.

2. STATE EX REL. ILLINOIS GREYHOUND LINES, INC. VS. PUBLIC SERVICE COMMISSION (Commission Case No. 8563): The question involved in this case is whether or not the Commission has jurisdiction to compel an interstate bus line to take out an interstate permit under the police powers conferred upon the Commission by the Missouri Bus and Truck Law. The case was argued before the Missouri Supreme Court several months ago and a decision thereon is imminent. If the court sustains the order of the Public Service Commission, hundreds of interstate truck and motor bus operators will be required to pay common carrier fees to the State of Missouri for the maintenance of its highways, and comply with the safety rules promulgated by the Public Service Commission.

3. STATE AT THE RELATION OF CITY OF ST. LOUIS VS. PUBLIC SERVICE COMMISSION (Commission Case No. 5217): This case was against the Laeclde Gas Light Company of St. Louis. It is one of the most important valuation and rate cases conducted by the Public Service Commission in recent years. It was argued before the Missouri Supreme Court several months ago; therefore, an opinion from that court is expected at any time. The case involves the lawfulness of the



Commission's order reducing gas rates in the City of St. Louis. The total reduction made by the Commission was approximately \$350,000 annually. Both the City of St. Louis and the Laclede Gas Light Company appealed from the order of the Commission. The City claimed that the reduction ordered by the Commission was not sufficient, while the Laclede Company claimed that the reduction was so great as to constitute confiscation.

4. STATE EX REL. CITY OF ST. LOUIS VS. PUBLIC SERVICE COMMISSION (Commission Case No. 6804—Lindell-Union viaduct case): This case involves the construction at a cost of approximately \$700,000.00 of an overhead viaduct near the entrance to Forest Park at Lindell and Union Avenues in the City of St. Louis, over the tracks of the Wabash Railway Company. Under the law the Public Service Commission proceeded in an action several months ago to hear the evidence and apportion the costs of the construction of this improvement between the Wabash Railway and the City of St. Louis. Both the Railway and the City of St. Louis appealed from the division of costs as found by the Commission, i. e., 60% against the City and 40% against the Wabash. The Commission, however, was upheld in an opinion recently handed down by the Missouri Supreme Court.

5. STATE EX REL. ST. PAUL AND KANSAS CITY SHORT LINE RAILROAD COMPANY VS. PUBLIC SERVICE COMMISSION (Commission Case No. 7763—Shoal Creek crossing case): Through inadvertence the Rock Island constructed a railroad bridge in Caldwell County with a horizontal clearance less than the 16-foot clearance provided in such cases by the Missouri Public Service Commission Law. After the bridge had been completed, the company filed its application before the Commission for permission to continue the use of the bridge. The Commission heard the case on its merits and decided that it did not have authority to permit the continued use of a bridge deficient in horizontal clearance. The Commission recognized that it could in a proper case permit the building of a bridge with less than 16-foot horizontal clearance, but it held that it would not consider questions concerning a lesser clearance after a structure had already been erected in violation of its clearance rule. This case was duly argued before the Supreme Court and that court recently affirmed the Commission's order. The court's ruling is important, in that it serves

notice to all persons and corporations who desire to erect structures upon or near railroads, or at other places where the public safety is involved, that application for authority to construct any building or bridge with less than the prescribed clearance must be filed and heard before the Commission in advance of the actual construction of the bridge or building.

6. STATE EX REL. ST. PAUL AND KANSAS SHORT LINE RAILROAD COMPANY VS. PUBLIC SERVICE COMMISSION (Commission Case No. 7105—Crossing No. 26 in Caldwell County): In this case the County Court of Caldwell County and the Short Line Railroad Company agreed upon the division of costs of a certain overhead pass. Upon the completion of such agreement application was made to the Public Service Commission for permission to construct the overhead pass and for apportionment of the costs as had been agreed upon between parties. The Commission authorized the construction. After the crossing had been constructed by the Railroad Company, the County Court of Caldwell County refused to pay for its agreed proportion of the cost of the construction. On appeal, the Supreme court held that the interested parties to a matter affecting the public welfare are amenable only to the police power of the State and that such power cannot be the subject of a contract between the interested parties. The court held that it was the duty of the Commission to hear the evidence with respect to the fair and just division of the cost between the interested parties and to make an independent finding hereon, uninfluenced by the agreement of the interested parties. This case is important in that it definitely prohibits interested parties from abrogation of the police powers lodged with the Public Service Commission by contract. The Commission has recently reheard the case on its merits. An order for a new apportionment of costs will in due time be handed down by the Commission.

7. JAMES W. WARD, DOING BUSINESS AS J. W. WARD TRANSFER VS. PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI: This case will be argued in the Supreme Court in January, 1937. It may be called a companion case to the Illinois Greyhound case above described (Case No. 2). Ward has operated into Missouri in interstate commerce in violation of the Missouri Bus and Truck Law which requires interstate common carriers to pay fees to the

State of Missouri for the use of its highways. If the Supreme Court sustains the position of the Public Service Commission in regard to interstate common carriers, the law in this State will become settled and all interstate common carriers will be required to pay fees to the State of Missouri and comply with safety regulations promulgated by the Public Service Commission.

8. TED C. SANDERSON, DOING BUSINESS AS SANDERSON MOTOR FREIGHT VS. PUBLIC SERVICE COMMISSION, ET AL: This case was instituted against the Commission by an injunction proceeding in the Circuit Court of Cole County. Sanderson, a truck operator, sought to enjoin the Commission from proceeding to submit him to arrest and fine for carrying property for hire between points on the regular route of a common carrier, which is prohibited by the Missouri Bus and Truck Law. Upon the trial of the case the Circuit Court of Cole County sustained all of the contentions of the Public Service Commission.

9. STATE EX REL. ORSCHELN BROTHERS TRUCK LINES, INC. VS. PUBLIC SERVICE COMMISSION (Commission Case No. T-3418): The Kansas City Court of Appeals in a decision recently entered in this case decided that it had no jurisdiction to hear Public Service Commission cases upon appeal from the Cole County Circuit Court. The case was transferred to the Kansas City Court of Appeals upon an opinion, also recently rendered, by the Missouri Supreme Court wherein the latter court denied its jurisdiction in Public Service Commission cases where an amount of \$7,500 and less is involved. The Supreme Court held that the Constitution controls appeals in Public Service Commission cases in the same manner as in all civil actions, notwithstanding the fact that the Public Service Commission Law directs the appeal of all Public Service Commission cases to the Missouri Supreme Court. Upon the transfer of numerous cases, including this one, the Kansas City Court of Appeals in interpreting the Public Service Commission statutes declared that there was no provision in the statutes for an appeal from the Cole County Circuit Court, or from any other circuit court. Consequently, numerous cases would in the future become finally adjudicated in the circuit court unless the deficiency of the Public Service Commission statutes regarding appeals is corrected by an amendment in the 1937 Missouri Legislature. Doubtless, all parties interested in an appeal of

Public Service Commission cases involving \$7,500 and less will cooperate in the matter of securing a proper amendment so that these cases may be accorded the right of an appeal to an appellate court.

10. PENALTY AND FORFEITURE CASES: The Public Service Commission has within the past two years directed its Legal Department to file several suits against public utility companies for infliction of penalties or forfeitures, as provided by law, for various violations of the Public Service Commission Law.

One case involving a penalty against an electric light company for failure to file its annual report with the Public Service Commission as required by law has been settled and judgment collected. Two other cases have been brought against truck companies for defrauding the State of Missouri of travel order fees provided by law and the rules of the Commission for extra or emergency equipment used by common carriers. In two cases involving the illegal application of intrastate freight tariffs promulgated by the Missouri Public Service Commission the penalties have also been collected. In accordance with the provisions of the statutes these penalties have been paid into the State Treasury for the use and benefit of the public school fund.

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## BUS AND TRUCK DEPARTMENT

The personnel of this department consists of the Supervisor, six Inspectors and eleven stenographer-clerks.

The six inspectors are equipped with cars and are assigned to such duties as investigating complaints, cooperating with enforcement officers in the enforcement of the Bus and Truck Law and advising licensed carriers in regard to the authority issued to them by this Commission.

The employees mentioned above do not include the reporters, transcribers, employees of the accounting department and others who spend part time in duties incident to the administration of the Bus and Truck Law.

All records pertaining to the authority granted to carriers operating motor vehicles for hire, including the insurance policies and records of motor vehicles upon which fees have been paid are filed in this department.

Practically all fees paid for the operation of motor vehicles for hire are received through this department and turned over to the State Treasurer.

The fees paid into the State Treasury by licensed carriers from December 1, 1934, to December 1, 1936, amounted to \$977,632.90.

For comparison the fees for the past two bienniums are shown in the table below:

	December 1, 1932, to De- cember 1, 1934.	December 1, 1934, to De- cember 1, 1936.
Truck license fees.....	\$304,039.92	\$344,300.11
Truck emergency fees.....	134,303.89	474,387.45
Bus license fees.....	88,052.42	145,816.07
Bus emergency fees.....	30,778.86	13,129.27
<b>Totals.....</b>	<b>\$537,175.09</b>	<b>\$977,632.90</b>

The cost of operating the Bus and Truck Department continued to decrease in proportion to the increased collections. The decreased cost of operation on a percentage basis is shown in the following tabulation:

Biennium.	Receipts.	Appropriation.	
		Amount.	Percentage.
1931-1932.....	\$114,068.78	\$75,054.00	66
1933-1934.....	537,175.09	120,968.00	23
1935-1936.....	977,632.90	184,034.00	18

### FEDERAL MOTOR CARRIER ACT OF 1935

The passage of the Federal Motor Carrier Act of 1935 created quite a volume of duties in addition to those necessary in carrying out our own law. It is a provision of this Act that all carriers now operating or desiring to operate in interstate commerce file an application with the Bureau of Motor Carriers, Interstate Commerce Commission and cause a copy of such application to be filed with the regulatory body of each state through which the proposed operation extends.

To date over 4,500 such applications have been received by this department. Each of these applications are carefully examined in order to determine which highways the applicant desires to use in Missouri, the type of service he proposes to render and any other detail which might affect the citizens of

this state. If such proposed operations do not purport to be in the public interest, protests are prepared and filed and when the application comes to a hearing a representative from the Commission is present to protect whatever interest the State might have.

This Act also provides that the Commission shall appoint from its membership or otherwise some one to act as a member of a joint board to hear proceedings and recommend orders for operations of motor carriers when such operations do not involve more than three states.

One such board member and an alternate member have been appointed and a great deal of time is taken up by these members with the hearing of these applications and preparation of reports that will properly protect the interests of this State.

One stenographer-clerk is now employed full time in recording and filing these applications, a number of others part time, and it will only be a short time until additional duties will be added by keeping of records of insurance policies filed by carriers authorized by the Bureau of Motor Carriers, Interstate Commerce Commission, to operate over Missouri highways.

During the past biennium 945 cases were disposed of as follows:

Dismissed, denied, withdrawn.....	194
Authorities issued.....	503
Joint rate cases disposed of.....	51
Complaints disposed of.....	6
Transfers granted.....	191

Cases pending before the Commission, December 1, 1936:

New cases.....	56
Submitted on the record.....	32
Continued.....	26
Set but not heard.....	8
Approved.....	10
Incomplete.....	14
Ready for orders.....	7

Below is a comparative statement of licensed carriers as of December 1, 1934, and December 1, 1936:

## TRUCK.

	December 1, 1934.	December 1, 1936.
<i>Common Carriers:</i>		
Intrastate only		
Regular .....	61	22
Irregular .....	237	97
Regular and irregular .....	179	51
	477	170
Interstate only		
Regular .....	16	18
Irregular .....	167	165
Regular and irregular .....	6	28
	189	211
Combined intrastate and interstate		
Regular .....	4	5
Irregular .....	100	181
Regular and irregular .....	51	269
	155	455
	821	836
<i>Contract Haulers:</i>		
Intrastate only		
Regular .....	2	2
Irregular .....	41	22
Regular and irregular .....	..	1
	43	25
Interstate only		
Regular .....	8	5
Irregular .....	125	196
Regular and irregular .....	2	4
	135	205
Intrastate and interstate		
Regular .....	1	1
Irregular .....	11	23
Regular and irregular .....	..	1
	12	25
	190	255
	1,011	1,091

## BUS.

	December 1, 1934.	December 1, 1936.
<i>Common Carriers:</i>		
Intrastate only		
Regular .....	54	40
Irregular .....	3	2
Regular and irregular .....	2	3
	59	45
Interstate only		
Regular .....	18	2
Irregular .....	..	1
	18	3
Intrastate and interstate		
Regular .....	9	6
Irregular .....	..	1
Regular and irregular .....	5	13
	14	20
	91	68

During the period from November 30, 1934, to November 30, 1936, inclusive, the Bus and Truck Department issued 3,976 bus and truck orders. A classified list follows:

Reports and Orders, licensing carriers and giving additional authority .....	768
Supplemental reports and orders .....	227
Denials .....	71
Dismissals .....	286
Transfers .....	350
Rates .....	100
Rehearings .....	31
Revocations .....	343
Citations for revocation .....	672
Sustaining motions .....	46
Overruling motions .....	52
Citing to appear .....	258
Setting aside dismissals .....	30
Extending effective date .....	32
Cancelling permits .....	2
Suspensions .....	1,484
Reinstatements .....	2,082
Tariff .....	12
Investigations .....	25
Ordering Counsel to take action .....	9
Suspended contract .....	1
Changing name .....	6
Setting aside revocations .....	43
Setting for oral argument .....	4
Rescinding order .....	1
Discontinuance of service .....	1



## BUS ORDERS.

Reports and orders.....	31
Supplemental reports and orders.....	4
Denials.....	2
Transfers.....	2
Tariff.....	1
	<hr/>
Total.....	40
	<hr/>
Grand total.....	6,976

## PORTS OF ENTRY

No attempt has been made to administer the amendment to Section 5268, Missouri Bus and Truck Law of 1931, passed by the 58th General Assembly of 1935, except to promulgate the rules necessary to put the provisions of this amendment into effect should the Legislature appropriate funds necessary for its administration.

This amendment provides that motor vehicles from outstate may make not to exceed one trip per month over Missouri highways in the transportation of persons and property for hire by meeting certain requirements specified in the amendment.

This amendment also called for the establishment of such Ports of Entry as would be necessary for proper administrations, the cost of maintenance, operation and establishment of these ports to be paid out of the receipts from the established ports. Because of the Attorney-General's ruling that these receipts must be turned into the State Treasurer instead of being used for the above purpose, together with the fact that the 58th General Assembly did not appropriate funds for this purpose, this amendment was not put into operation.

## ENFORCEMENT

Through close cooperation with the Missouri State Highway Patrol and the Weight Officers Department of the State Highway Commission several methods pertaining to better enforcement have been put into operation.

A new form of Emergency Travel Order has been adopted which does not permit erasure and change of dates. A marked increase in Emergency Travel Order fees was noted immediately after this new form was put into use.

The State Highway Patrol has generously extended the facilities of their broadcasting station to the Bus and Truck

Department and a system of broadcasting suspensions and reinstatements has been perfected. By this means the operation of trucks over the highways when such operation is not protected by insurance has been eliminated to a great extent.

The establishment of scale houses by the State Highway Commission at advantageous points on various highways and the handy facilities they afford our inspectors has been a help toward better regulation. Other projects for enforcement are in process of being worked out with the help of the State Highway Patrol and the State Highway Commission's Weight Officers.

### CONTRACT CARRIERS

The applications of contract carriers have been closely examined and every effort has been made to bring out all facts at the hearing of their application so as to prove that authority for a bona fide contract operation is being sought. The result has been that a number of applicants have changed their application to that of a common carrier, have been licensed as such and caused to pay fees for the use of the highways.

The Commission by its orders has limited a number of contract haulers to four contracts, thereby causing former holders of more than four contracts to come before the Commission with an application to operate as a common carrier. By the above methods no attempt has been made to make a common carrier of anyone who is not in fact a common carrier under the general principles of law.

A number of orders have been issued revoking contract haulers' permits after the holder of the permit had been cited to show cause why such an order should not be issued because of the fact they were found to be transporting property without having received the Commission's approval of the contract under which the property was being transported.

Pursuant to the direction contained in Section 5138, Revised Statutes of Missouri, 1929, we herewith respectfully submit the above and foregoing report of the proceedings of the Public Service Commission for the preceding biennium.

SAM O. HARGUS, Chairman,  
W. M. ANDERSON,  
JOHN S. BOYER,  
ALBERT D. NORTONI,  
JOHN A. FERGUSON,  
Commissioners.

## HISTORICAL

The act creating the Missouri Public Service Commission was passed by the Forty-seventh General Assembly and became effective April 15, 1913. The bill creating the Commission was introduced in the legislature by William G. Busby, who later became general counsel and chairman of the Commission. The act was approved by Governor Elliott W. Major.

The act provided for a Commission of five members appointed by the Governor with the advice and consent of the Senate. Provision was made for the Governor to designate one member as chairman of the Commission.

The first appointments were on the basis of one member for two years, two members for four years and two members for six years and thereafter all for six-year terms.

Appointments which have been made to the Commission follows:

FRANK A. WIGHTMAN, railroad expert, of Monett, Mo., effective April 15, 1913, for a term ending April 15, 1915.

JOHN KENNISH, lawyer, of Kansas City, Mo., effective April 15, 1913, for a term ending April 15, 1917.

HOWARD B. SHAW, electrical engineer, of Columbia, Mo., effective April 15, 1913, for a term ending April 15, 1917.

JOHN M. ATKINSON, lawyer, of Doniphan, Mo., effective April 15, 1913, and designated as chairman for a term ending April 15, 1919.

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

EDWIN J. BEAN, lawyer, of DeSoto, Mo., effective November 19, 1914, for unexpired term ending April 15, 1919, vice William F. Woerner, resigned.

EUGENE MCQUILLIN, lawyer, of St. Louis, Mo., effective April 24, 1915, for term ending April 15, 1921, vice Frank A. Wightman.

WILLIAM G. BUSBY, lawyer, of Carrollton, Mo., effective May 1, 1916, for unexpired term ending April 15, 1919, and designated chairman, vice John M. Atkinson, resigned.

DAVID E. BLAIR, lawyer, Joplin, Mo., effective February 26, 1917, for unexpired term ending April 15, 1921, vice Eugene McQuillin, resigned.

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

EDWARD FLAD, civil engineer, of St. Louis, Mo., effective April 15, 1917, for term ending April 15, 1923, vice Howard B. Shaw, whose term had expired.

A. J. O'REILLY, civil engineer, of St. Louis, Mo., effective October 11, 1921, for unexpired term ending April 15, 1923, vice Edward Flad, resigned.

JOHN KENNISH, lawyer, of Kansas City, Mo., effective August 23, 1920, for unexpired term ending April 15, 1921, vice David E. Blair, resigned.

JOHN A. KURTZ, lawyer, of Kansas City, Mo., effective December 1, 1920, for unexpired term ending April 15, 1921, vice John Kennish, resigned. Reappointed May 1, 1921, for full term of six years ending April 15, 1927, and designated as chairman.

HUGH McINDOE, lawyer, of Joplin, Mo., effective May 1, 1921, for unexpired term ending April 15, 1925, vice William G. Busby, resigned.

MERRILL E. OTIS, lawyer, of St. Joseph, Mo., effective June 23, 1923, and designated chairman, for unexpired term ending April 15, 1927, vice John A. Kurtz, who died June 17, 1923.

RICHARD H. MUSSER, lawyer, of Plattsburg, Mo., effective June 16, 1923, for unexpired term ending April 15, 1925, vice Hugh McIndoe, who died May 28, 1923.

THOMAS J. BROWN, lawyer, of Charleston, Mo., effective June 13, 1923, appointed for term ending April 15, 1929, vice Noah W. Simpson, whose term expired April 15, 1923. Designated as chairman effective August 30, 1924.

ALMON ING, lawyer, of Poplar Bluff, Mo., effective January 14, 1925, for unexpired term ending April 15, 1927, vice Merrill E. Otis, resigned. Reappointed for full term from April 15, 1927, to April 15, 1933. Designated as chairman, effective October 1, 1928.

D. F. CALFEE, lawyer, of Jefferson City, Mo., effective February 4, 1925, for unexpired term ending April 15, 1929, vice A. J. O'Reilly.

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

J. H. PORTER, engineer, of St. Louis, Mo., effective June 26, 1925, for 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, for term ending April 15, 1929, vice Thomas J. Brown, resigned.

MILTON R. STAHL, lawyer, of St. Louis, Mo., effective May 29, 1929, for term ending April 15, 1935, and designated 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, for 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, for term ending April 15, 1937, vice S. M. Hutchison, whose term expired April 15, 1931.

J. C. COLLET, lawyer, of Salisbury, Mo., effective April 26, 1933, and designated as chairman, for term ending April 15, 1939, vice Almon Ing, whose term expired April 15, 1933.

WILLIAM STOECKER, engineer, of Webster Groves, effective August 11, 1933, for term ending April 15, 1935, vice Milton R. Stahl, resigned.

W. M. ANDERSON, lawyer, of Harrisonville, Mo., effective August 15, 1933, for term ending April 15, 1937, vice J. H. Porter, resigned.

HARRY E. MCPHERSON, insurance man of St. Joseph, Mo., effective January 17, 1934, for term ending April 15, 1935, vice J. Fred Hull, resigned.

JOHN S. BOYER, lawyer, of St. Joseph Mo., effective June 1, 1935, for term ending April 15, 1941, vice H. E. McPherson, whose term expired April 15, 1935.

SAM O. HARGUS, lawyer, of Kansas City, Mo., effective September 1, 1935, for term ending April 15, 1939, vice J. C. Collet, resigned.

ALBERT D. NORTONI, lawyer, of St. Louis, Mo., effective April 16, 1936, for term ending April 15, 1941, vice William Stoecker, whose term expired April 15, 1936.

JOHN A. FERGUSON, lawyer, of Cape Girardeau, Mo., effective June 16, 1936, for term ending April 15, 1937, vice George H. English, resigned.