

Hanson,	McGarry,	Peterson, A. B.,	Seebach,	Warner, A. L.,
Henry,	McMartin,	Peterson, A. J.,	Skartum,	Warner, C. H.,
Hillman,	Marschalk,	Peterson, P. A.,	Spconer,	Warner, E.,
Johnson, A. C.,	Minette,	Prince,	Stageberg,	Weld,
Johnson, J. T.,	Nelson,	Putnam,	Steen,	Wescott,
Knopp,	Norton,	Reed,	Stone,	Williams,
Larson,	Ofsthun,	Ribenack,	Swenson,	Wilson,
Lee,	Olien,	Saggau,	Teigen,	Mr. Speaker.
Lennon,	O'Neill,	Sanborn,	Vollmer,	
Lydiard,	Papke,	Schwartz,	Walker,	

Those who voted in the negative were:

Brown, W. W.,	Child,	Finke,	Hogenson,	Just,
Pless,				

So the resolution was adopted.

MESSAGES FROM THE GOVERNOR.

STATE OF MINNESOTA,
EXECUTIVE DEPARTMENT,

ST. PAUL, April 15th, 1913.

Hon. Henry Rines,
Speaker of the House of Representatives.

DEAR SIR: I have the honor herewith to return to you, without my approval,

H. F. No. 207, "A bill for an act to amend Section 2842 of the Revised Laws of 1905, relating to State and local control of public service corporations," passed by the House February 1, 1913, and received by me April 11, 1913.

This bill purports to give to every city or village in the State the right and power to prescribe and limit the charges which any public service corporation other than telephone companies may demand or receive for the commodities or services furnished by it to the municipality and to the inhabitants thereof by amending section 2842, Revised Laws of 1905, which provides that:

"The State shall at all times have the right to supervise and regulate the business methods and management of any such corporation, and from time to time fix the compensation which it may charge for its services; and every such corporation obtaining a franchise from a city or village, shall be subject to such conditions and restrictions as from time to time may be imposed upon it by such municipality."

The words just quoted are taken from the existing law and if the amendment thereto contained in H. F. No. 207 has any

effect whatever it is to confer power on municipalities over public service corporations which is now vested in the State, and is diametrically opposed to the principle of State control of such corporations.

I, therefore, return H. F. No. 207 without my approval for the following reasons:

1. Effective regulation of public utilities is essential in order to supply the public with modern necessities at a reasonable cost, the only other alternative being public ownership.

2. The experience of the past has demonstrated that the local municipalities have signally failed in such regulation and the trend of all modern advanced and progressive thought and legislation has been toward state regulation.

3. The average municipality cannot afford intelligent regulation because of the expense in securing information, equipment and expert service, while the State can furnish the same for the benefit of all without duplication at a much smaller per capita cost.

4. Many of the utilities, such as street and interurban railways, water powers and telephones, are inter-municipal and cannot come completely under any one municipality. They can, therefore, be regulated only by a state-wide authority.

5. State-wide regulation is essential in order to secure uniformity in determining valuation, issuing securities and in adopting proper methods of accounting, without which intelligent rate regulation is impossible.

6. The regulation of public utilities by hundreds of municipalities is not only too expensive by reason of duplication, but ineffective because it diffuses regulative power and responsibility.

7. During the last primary and election campaigns the question of state control of public utilities was a leading issue and the people throughout the state endorsed the same in most emphatic terms.

8. There is today a genuine demand on the part of the people for such regulation and progressive leaders who have notably championed the cause of good government have endorsed the same. The most signal service of Senator LaFollette while Governor of Wisconsin and President Wilson while Governor of New Jersey for their respective states was the establishment and appointment of public utilities commissions.

9. More than one-half of the State have already enacted such legislation and in many of the remaining states simliar legislation is now pending.

10. State regulation is right in principle, sound in policy and most successful in application.

11. Minnesota has been a leader in the forward movement and must not now take a step backward by destroying or even delaying state regulation of public utilities.

12. Telephone companies are excepted from H. F. No. 207. Assuming that cities and villages should be given power to fix the charges of public service corporations, there is no reason why telephone companies should be exempt from the exercise of the same power.

13. March 5, 1913, the House passed—

H. F. No. 573, A bill for an act to regulate telephone companies and to place them under the control and jurisdiction of the Railroad and Warehouse Commission.

14. This bill expressly provides for state control of telephone companies, thereby recognizing the principle and approving the policy of state control of public utilities. It is, therefore, inconsistent with the principle of local control as expressed in H. F. No. 207.

The two bills cannot be reconciled in principle or policy. The House having recognized the principle of State control as to telephone companies cannot consistently oppose the same policy as to other public utilities.

15. Whatever value there may be in local municipal regulation is already secured to our municipalities under the provisions for Home Rule Charters, and if the people of any municipality do not wish to secure local regulation by the adoption of an effective Home Rule Charter, they should not be forced to do so by this proposed method.

As most of the important legislation brought before you has been disposed of, there is still ample time for the enactment of a strong and effective public utilities law at this session.

If you are unable to enact such a law before the session expires, I will, at a convenient time during the present year, call an extra session for that purpose.

Respectfully submitted,

ADOLPH O. EBERHART,

Governor.