Mr. Orr moved a call of the House.

The roll being called, the following members answered to their names:


On motion of Mr. Holmberg, further proceedings under the call were dispensed with.

MESSAGE FROM THE GOVERNOR.

STATE OF MINNESOTA, EXECUTIVE DEPARTMENT, St. Paul, April 19, 1913.

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

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

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.

My action is taken for the following reasons:

1. The regulation attempted by this bill has one defect which absolutely condemns it. It confers no authority to prevent the watering of stocks and bonds. No regulation of public utilities can be effective without complete control over the issuing of stocks and bonds and granting of franchises as well as authority to make physical valuations of properties. Without such con-
trol and authority, intelligent and effective regulation is impos-
sible. This bill, therefore, does not confer the necessary author-
ity to regulate, and I will not give my consent to the enact-
ment of a law which lacks the most vital elements of regula-
tion.

2. While it is true that the principle of this bill in providing 
for state regulation instead of local municipal regulation is 
right, there is no valid reason why a specific law should be 
enacted for each utility. Such a plan must necessarily result 
in delaying and complicating the regulation of public utilities.

3. This bill attempts to place the regulation of telephone 
companies under the control and jurisdiction of the Railroad 
and Warehouse Commission. Under the distance and joint 
tariff laws recently enacted, the Legislature has imposed upon 
this Commission the making of millions of new tariffs, joint 
tariffs and classifications, and the further addition thereto of 
regulating about eight hundred and fifty telephone companies, 
will result in more work than is consistent with the efficient 
personal attention and supervision of that board.

4. Regulation of public utilities should be vested in an 
appointive state board. This is essential in order that the 
board may be non-partisan and as far as possible removed from 
political influence. All recognized authorities on public utili-
ties regulation and the experience of every state now engaged 
therein agree on this point.

This bill contains some very good provisions, such as the 
enforcement of physical connections between the various tele-
phone companies. These provisions should be incorporated 
in the general utilities law when enacted.

In view of the fact that the Legislature will be called to-
gether in extra session within a few months, at such time as 
it will be most convenient to the members, for the specific 
purpose of enacting a strong and efficient general public utili-
ties law, such as the one now in force in Wisconsin, New Jersey 
and other progressive and well governed states, there can be 
no possible excuse for the passage of H. F. No. 573, which 
is admitted to be vitally defective in its most important pro-
visions, and I therefore return the same without my approval.

Very respectfully,

ADOLPH O. EBERHART,
Governor.