

By Mr. Adlow of Boston, petition of Elijah Adlow for an investigation by the Department of Public Utilities of the service and practices of the New England Telephone and Telegraph Company. Mercantile Affairs. Dec. 6, 1924.

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**The Commonwealth of Massachusetts.**

In the Year One Thousand Nine Hundred and Twenty-Five.

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Resolve providing for an Investigation by the Department of Public Utilities of the New England Telephone and Telegraph Company.

1 *Whereas*, The New England Telephone and Tele-  
2 graph Company has filed with the department of  
3 public utilities a new general schedule of rates, sub-  
4 stantially greater than the rates now in force, which  
5 new schedule after extensive hearings must be  
6 passed upon by said department; and

7 *Whereas*, There is public complaint that said  
8 company has operated extravagantly, particularly  
9 because of intercorporate relations unfavorable to  
10 said company, and the allowance and payment of  
11 unwarranted and exorbitant sums for depreciation,  
12 dividends, salaries, fees and advertising; and

13 *Whereas*, There is public complaint that the pro-  
14 posed rates are discriminatory as to classes of  
15 service and localities in which service is rendered;  
16 therefore be it

17 *Resolved*, That the department of public utilities  
18 is directed to make a full and thorough investiga-  
19 tion of the finances, rates, charges and practices of  
20 said New England Telephone and Telegraph Com-

21 pany, and, without in any way limiting the scope  
22 of such general investigation or restricting said  
23 department in the exercise of its statutory powers  
24 in connection with such proposed schedule, the de-  
25 partment shall in particular investigate the fol-  
26 lowing:

27 (a) The intercorporate relations existing be-  
28 tween said New England Telephone and Telegraph  
29 Company, the American Telephone and Telegraph  
30 Company and the Western Electric Company, in-  
31 cluding the extent to which said corporations have  
32 common directors and officials, and the ownership  
33 by each corporation of stock in the others.

34 (b) What portion of the gross revenue of said  
35 New England Telephone and Telegraph Company  
36 is paid to the American Telephone and Telegraph  
37 Company and what services or consideration is re-  
38 ceived by said New England Telephone and Tele-  
39 graph Company for such payments.

40 (c) Whether said New England Telephone and  
41 Telegraph Company pays excessive or exorbitant  
42 prices for supplies and equipment and what portion  
43 of such supplies and equipment is purchased from  
44 the American Telephone and Telegraph Company  
45 or the Western Electric Company under exclusive  
46 contracts and how the prices thereof compare with  
47 prices of others selling like supplies and equipment  
48 in the open market.

49 (d) Whether said New England Telephone and  
50 Telegraph Company is paying excessive amounts to  
51 its general officers for salaries and fees and for  
52 legal expenses.

53 (e) Whether said New England Telephone  
54 and Telegraph Company is paying or has

55 paid excessive amounts for publicity and ad-  
56 vertising in general and in particular in  
57 connection with the announcement of said pro-  
58 posed rate schedule.

59 (f) Whether said New England Telephone and  
60 Telegraph Company is charging excessive amounts  
61 for depreciation and surplus and has thereby ac-  
62 cumulated a greater depreciation reserve and sur-  
63 plus than is necessary or proper.

64 (g) Whether said New England Telephone and  
65 Telegraph Company is and has been investing ex-  
66 cessive amounts in plant and equipment not neces-  
67 sary and useful in the performance of its duties to  
68 the public.

69 (h) Whether said New England Telephone and  
70 Telegraph Company is paying excessive dividends.

71 (i) Whether said proposed rate schedule results  
72 in unjust discrimination in favor of any one class  
73 or classes of subscribers at the expense of other  
74 classes.

75 Said department may for the purposes of such  
76 investigation incur expenses not exceeding the sum  
77 of \_\_\_\_\_ dollars, said sum to be in  
78 addition to all sums appropriated for its usual  
79 duties, and may employ such assistants as may  
80 by it be deemed necessary.

81 In the conduct of such investigation the depart-  
82 ment shall have and may exercise full power to  
83 summon witnesses and compel the production of  
84 books and papers and all other powers conferred  
85 upon it under the General Laws. Upon completion  
86 of its investigation said department shall publish  
87 its findings upon the above matters in connection  
88 with its report upon such rate schedule.

