

# ST. LOUIS LAW REVIEW

---

---

Published in December, February, April, and June by the Undergraduates  
of Washington University School of Law

---

Subscription Price \$2.00 per Annum.      Seventy-five Cents per Copy.

---

A subscriber desiring to discontinue his subscription should send notice to  
that effect. Otherwise it will be continued.

---

---

## STAFF

ABRAHAM E. MARGOLIN, *Editor-in-Chief*

ROBERT BRUCE SNOW, JR., *Business Manager*

GERARD N. BYRNE  
MORRIS E. COHN  
JOSEPH J. CHUSED  
SAM ELSON

ROBERT HARDING  
SIDNEY V. HIKEN  
DANIEL A. MACPHERSON  
FRANK MATHEWS  
JOSEPH NESSENFELD

ROBERT E. ROSENWALD  
CASPER R. STAUFFACHER  
WALLACE V WILSON  
STANLEY WEISS

---

RALPH F. FUCHS, *Faculty Adviser*

---

## BOARD OF TRUSTEES

P. TAYLOR BRYAN  
WALTER D. COLES

FRANKLIN FERRIS  
CHARLES NAGEL  
THEODORE RASSIEUR

JAMES A. SEDDON  
JOHN F. SHEPLEY

## ADVISORY COMMITTEE

J. M. HOLMES, *Chairman*

C. H. LUECKING, *Secretary*

R. L. ARONSON  
F. P. ASCHMEYER  
G. A. BUDER, JR.  
R. S. BULL  
R. W. CHUBB  
J. M. DOUGLAS  
J. J. GRAVELY

A. M. HOENNEY  
H. W. KROEGER  
W. McCALEB  
R. H. McROBERTS  
D. L. MILLAR  
D. C. MILTON  
M. OPPENHEIMER

R. R. NEUHOFF  
W. J. PHILLIPS  
K. P. SPENCER  
M. R. STAHL  
M. L. STEWART  
I. TREIMAN

---

---

## Notes

### CONTRIBUTORS TO THIS ISSUE

ROBERT E. ROSENWALD, author of the article on THE RIGHT OF JUDICIAL COMMENT ON THE EVIDENCE IN MISSOURI, is a graduate student in the Department of Political Science and a student in the School of Law.

RUTH E. BATES, who writes on REPUTATION OF THE VICTIM ON THE ISSUE OF SELF-DEFENSE IN MISSOURI, is a graduate of the School of Law and a member of the St. Louis Bar. She was a member of the LAW REVIEW staff from 1926-1928.

HUGO J. GRIMM is a former judge of the Circuit Court and a member of the St. Louis Bar. He writes on INVESTMENT OF TRUST FUNDS IN MISSOURI in this issue and has contributed to THE REVIEW on several prior occasions.

DANIEL L. BRENNER, contributor of THE LIABILITY OF AN OWNER OF A VEHICLE WHEN, DUE TO HIS NEGLIGENCE, HIS GUEST IS INJURED, is a member of the Kansas City, Missouri, Bar.

---

#### SAMUEL BRECKENRIDGE NOTE PRIZE AWARDS

Daniel A. Macpherson's note on "The Problem of the Non-resident Transient Motorist" has been awarded the fifteen dollar prize as the best note in the first issue of the current volume.

The award for the best note in the second issue has been made to Joseph Nessenfeld. He wrote on "Survival of Causes for Personal Injuries and Related Wrongs in Missouri."

---

#### THE PROBLEM OF REGULATING PAYMENTS BY UTILITIES TO HOLDING COMPANIES

The modern tendency in financial circles is the formation of holding companies for a group of related industries. This is especially true in the public utility field. The relationship between the holding company and the utility is of special importance in connection with its effect on the return the utility earns or is entitled to earn, and hence upon the rate that the public must pay. Payments to the holding company appear as an operating expense, and have caused much worry to the commissions when trying to determine whether the utility is entitled to an increase in rate. The problem that arises in this situation is well stated by Professor Ripley in his book, MAIN STREET AND WALL STREET:<sup>1</sup> "The last serious indictment against the over-developed holding corporation in the public utility field has to do with rate regulation. Under the terrific involution of accounts it may become practically impossible to allocate costs and to determine earnings as related to the investment. The holding company is exposed to the temptation to exploit its subsidiaries, *taking its own profit by undue enhancement of the operating ex-*

---

<sup>1</sup> (1927), p. 309.