CITES FAILURES OF MUNICIPAL OWNERSHIP

President Josselyn of the Local Electric Company Presents Arguments to Mayor Lane Against the Executive's Plan for Lighting the City.

President B. S. Josselyn of the Portland Railway, Light & Power company has written an open letter to Mayor Lane expressing his disapproval of the mayor's proposition for the municipal ownership of the electric light plant. In the letter which is given in full herewith the light and railway president cites instances of alleged failure of municipally owned plants, which he says shows that Portland's taxes would be largely increased by the purchase of such a plant. The letter is as follows:

Honorable Harry Lane, Mayor, Portland—Dear Sir: Noting your position on the subject of municipal ownership of public utility corporations, and inasmuch as our company is one of the largest, if not the largest, individual taxpayer in the city, and consequently interested in knowing that nothing shall be done along the line of municipal ownership that would have the effect of increasing our taxes, I have made quite an extensive research to ascertain both sides of the question from the experience had in other cities of the United States who have undertaken municipal management or ownership of public utilities, and give you herewith a few short extracts on the subject for your information, as well as that of the good people of Portland.

In Richmond, Virginia, the city gas plant is one of the oldest in the country, and is the largest municipal ownership institution of its kind on this side of the Atlantic, barring that at Philadelphia, which is leased to a private corporation. Gas is sold in that city for $1 per thousand cubic feet, and an effort was made to reduce the price to 90 cents or 85 cents per thousand feet. In endeavoring to give the city council information on which to base action, the superintendent of the plant gave one figure as the real cost of making the product; the city accountant offered a second figure, and the finance committee produced a third—all different and all, of course, correct (?) The council at Richmond is large, patriotic and eloquent, not unlike that of Portland, and the gas price question caused some interesting scenes. After it was all over the point that the city did not know how much that was correct or reliable about its gas works seemed to be the single conclusion upon which a majority was agreed, and the reduction in price was defeated. It was charged that the cheap gas movement was for the purpose of campaign material without proper consideration of the finances and facts involved.

Odd Deal With One City.

In New Westminster, B. C., a curious method of protecting the revenues of the municipal electric light plant was adopted in order to save the city plant from injurious competition from gas supplied by the gas company, in that the city authorities prevailed upon the principal owner of the gas company to maintain a rate of $2.50 per thousand cubic feet. The deal was brought to light when the gas company protested against granting a franchise to another company, stating that they would be able to sell gas cheaper but for the agreement with the city, and under the circumstances felt it was entitled to protection by the city.

That public service companies do not suffer from investigation by city authorities, when the action is impartial and not for the purpose of political advertising, is shown at Terra Haute, Indiana, where the Citizens Gas & Fuel company recently had its service examined and tested under the auspices of a special committee of the city council. The report made shows service to be satisfactory and the committee was unable to discover any grounds for criticism.

Frankfort's Reported Experience.

At Frankfort, Indiana, a disinterested citizen in response to a request for an opinion upon municipal ownership, stated that they have a city from 10,000 to 12,000. The original cost for a municipal lighting plant was something over $90,000. Though the city has no report from data on file, he would judge that the cost was about $20 per street arc lamp per year. The city taxes have been doubled since the installation of the municipal lighting plant. The service is extremely poor, and while it appears to be the pet of certain councilmen, there is not a taxpayer in the city that does not regard the plant as a "white elephant." He states that if a city is out of debt, has a low tax levy and a large surplus of cash that the city wishes to get rid of, his advice would be to build a municipal lighting plant.

In New York City the expense budget for city government this year amounts to $143,000,000. Of the amount, $24,500,000 is for interest on the bonded debt, and $16,000,000 is for redemption of that much of the bonded debt. A great many of the things for which the money was originally borrowed have been used, worn out and disappeared from the eyes and knowledge of men. The figures are presented for the benefit of those who have no dislike of public debt and who believe in letting coming generations pay.

Private Ownership Triumphant.

St. Ignace, Michigan, has surrendered to private ownership after a political struggle lasting five years. The Manistique Light & Power company not only claims a 30-year contract on its own terms (which appear reasonable) but a contract for pumping the municipal water through the municipal water mains.

In Salt Lake city the rates charged by the municipal water works are to be advanced soon in order to provide from $40,000 to $50,000 additional revenue annually, which represents the deficit under municipal operation, maintenance and interest and sinking fund charges. The income to the department last year was $170,000. The sum needed to meet expenses, minus depreciation, is about $210,000 a year. The city is in bad financial condition and the administration can see no way to cover the deficit except by increasing the cost for supplying water.

At Kansas City the Journal is an outspoken opponent of municipal ownership and does not mind who knows it, and states substantially as follows:

If the water works were now operated by a private corporation, instead of by the municipality, such a protest against inefficient service as was recently sent to the mayor would provoke the administration to volcanic wrath, but as the city and not a private corporation owns the water works, the mayor referred the protest to the board of public works, which probably referred it to its secretary, who probably referred it to his stenographer, who probably placed it in a pigeon hole, where it will probably rest in unmolested seclusion while the solemn years flap their gloomy wings adown the centuries. Those enthusiasts who are clamoring for municipal ownership are greviously embarrassed by the water works. It is a standing refutation of their public ownership arguments. The service is inferior and comes extravagantly high. It has never paid expenses and frequent bond issues are necessary to make up the deficits. If the sewer system of the city were cared for and maintained under private contract, what a cry would be raised about its inefficiency.

If the maintenance and care of the streets were a matter of private control, the city officials from the mayor down would go into one convulsion after another. If the work of the city administration were done under private contract, what a howl there would be at the city hall. With all its boards, commissions, agents, superintendents, experts and an army of clerks, the city is unable to run its affairs efficiently and satisfactorily. Yet, there are those who would have it essay to run all other utilities; and officials of the city, who stand dumb and impotent in the face of ordinary business problems, criticise the street railways, the telephone systems, the gas company and other efficient and capable public service companies.

At Pulaski, Virginia, a place of some 3,000 inhabitants, the municipal electric plant is offered for sale.

The town of Needham, Massachusetts, has just sold its municipal street lighting plant to the Edison Electric Illuminating company of Boston, and a 20-year contract made for street illumination at the company's regular standard rates, the same as charged under similar conditions to the other towns in the adjacent territory. The Needham municipal plant was installed about 1894 at an approximate cost of $13,500. It was solely for street lighting, the commercial service being in the hands of a private company from which the electric current for the street lighting was bought. This combination was not satisfactory and the town discovered it was desirable either to sell out to the Edison company, or purchase the commercial facilities and enter in the business. After full consideration the decision enacted was reached and all forms of munipical ownership abandoned.

Spokane, Washington, is defendant in a suit brought by a citizen, charging that the water rates are exorbitant, and that the money is diverted from the water fund for other purposes, notwithstanding the party who brings the suit is one of the owners of the water works, that is, according to the theory of municipal ownership. He goes into court to prevent his own creature from charging more than he thinks the service is worth. The fact that such a case is in the courts, and that the reasonableness of the water rates at Spokane is probably to be ascertained by a court, is decidedly interesting. Perhaps some public ownership enthusiasts reading this may be moved to reflection. Like many other phrases that of "public utilities should belong to the people" has a habit of discussion and double dealing.

The city council of Lafayette, Indiana, has rejected a proposed municipal electric plant scheme after investigation on the subject by individual members. The Courier of that place says, editorially: "Municipal ownership has generally proven a failure, although on paper it invariably looks good and its theory sounds well. Its advocates here believe we might be one of the exceptions. Well, we might, it is true, but that is what nearly every other municipality that has even tried it thought, only to come up with a bump that made the taxpayers wonder what had hit them; but the question is settled. Let there be peace."

In Cincinnati it was thought that a gas or electric company alone in its territory has no competition, a proposition generally accepted upon its face, but is not true. Some facts given in a circular issued by the Union Gas & Electric company of Cincinnati, showing the results of operation for a certain period, illustrate how this view is wrong. It is related that by reason of the aggressive campaign for new business the company succeeded in substituting its service for 16 private gasoline electric generating plants, 44 steam power plants and 84 isolated plants, besides securing the change of 27 elevators from hydraulic to electric power, all in one year. Labor increased 25 per cent in cost, with a reduction in hours from 12 to eight, and materials of all kinds were very high in price, but no higher rates for gas or electricity were contemplated, as would have been the rule in an ordinary industry.

The authorities of Watertown, S. D., have decided not to build a water works to compete with a local company already in the field.

At Charlevoix Mich., the board of public works readjusted the water rates made in 1892. In the investigation required many abuses and inequalities were discovered. Some rates were raised, others lowered—even the board of public works was lambasted. More recently still, it was found that the city had a very large amount of money due it from the users of water and light. There is no town within forty miles of Charlevoix that owns its own lighting plant, that is not in trouble concerning the management and operation thereof, and in one case the situation is serious.

At Nashville, Tenn., the report of the superintendent of the municipal water works department states he discovered and stopped two big leaks in South Nashville, one of which had been supplying a "spring" for years that dried up on discovering a four-inch main broken squarely in two and stopping the leak.

In a report to the board of aldermen of Burlington, Vt., certified public accountants set forth that the municipal electric plant of that place has been operated at a heavy loss since it was put into service. The city plant supplies the street lighting and pays for commercial service with a private company. The depreciation allowance made by the accountants were: Building, 2 per cent; machinery, 5 per cent; tools, fixtures, etc., 10 per cent.

The communication transmitting the report closed with this paragraph:

"We find that the department is paying nothing in respect to the rental for the land occupied by its plant, which, if it were a commercial undertaking, it would undoubtedly have to bear."

The above communication is quite long, but I shall, if desired, be pleased to give you further references should you desire to be more fully posted of the exact outcome as demonstrated in other municipalities, for the purpose, if possible, of defeating any increased taxation that might be levied upon us by reason of municipal ownership of public utilities. Very truly yours,

B. S. JOSSELYN,
President.

GREAT GROWTH OF CITY EVIDENCED EVERYWHERE

Waverleigh Being Improved With Pavements, Cement Walks and Curbs—Unprecedented Demand for Building Sites—John P. Sharkey Working Overtime.

JOHN P. SHARKEY.

That Portland is more than holding her own in the building line is an established fact. One has only to move around in any direction to see evidences of growth. Those who are in a position to speak authoritatively on the city's expansion have no hesitancy in expressing themselves in no mistaken manner about the rapid headway the whole city is making. Although there is considerable vacant property within a mile of the Morrison street bridge, people who are investing money in lots and securing lots for home building have a tendency to go farther out. This shows a lively faith in the city's future. They are satisfied that Portland is making progress to warrant them in securing holdings even four and five miles from the business center. The number of new additions that are being platted is another criterion that there is a big demand for home building sites. An interview with John P. Sharkey convinced The Journal of the great possibilities of such additions as Waverleigh which lies immediately south of Division street and east of Twenty-sixth street. Waverleigh is a beautiful tract of 140 acres and was platted in March, 1907. Mr. Sharkey with his usual vim used printer's ink liberally, is bringing Waverleigh to the attention of prospective buyers and up to the present time has sold nearly 500 lots and the majority of the purchasers will eventually build homes. The prices of lots opened at $225 to $400, which were very low. Prices have advanced to $450 to $750 and since the advance lots are selling even more rapidly. Mr. Sharkey says the great majority of people who buy property now use good judgment. There is no wildcat speculation going on in Portland. When a person buys, he or she looks over the situation carefully, and the result is those who buy for speculation generally make a nice profit, while those who build homes refuse good substantial offers for them—sometimes before the houses are finished.

People are beginning to realize that it is impossible for all to live in or near the heart of a metropolitan city. Portland is now in the big city class and professional men, business men, manufacturers, clerks and working men are rapidly radiating out and following the trolley lines. Waverleigh is getting more than a fair share of home builders. It is most attractively located and general improvements are going on as fast as the labor of experts and horsepower can make them. When the streets are all graded, cement walks and curbs laid, Waverleigh will be one of the most desirable residence districts in the city. Like all improved districts late purchasers of lots will be course have to pay substantial advances.

Corner Third and Yamhill

Karo-Klapper Co.

PHONE MAIN 4918

Mail Orders Carefully Filled

LADIES' EASTER SUITS

Just received by express from one of New York's leading makers 75 model Suits for our Easter trade. These are positively the latest styles with those striking individualities characteristic only in high class tailor-made suits. Come in all leading shades and in two and three-button cutaways, semi-fitting effects, etc. For Monday and Tuesday priced at

$15.00 to $40.00

12½c Percales 8½c

65c Suitings 39c

60 bolts Dress Percales, in staple and fancy patterns; a large assortment carefully selected for our Monday and Tuesday sales; values up to 12½c, the yard..... 8½c

50 full bolts of Fancy Worsted Spring Suiting, in checks, stripes, plaids, small figures and shadow effects; values up to 65c. Special for Monday and Tuesday, yard..... 39c

Lace Curtains

We have just received a large assortment of Lace Curtains at exceptional low prices and offer them for Monday and Tuesday, the pair, at

50c up to $5.00

Ladies' Lingerie Muslin Wears

Lot No. 1—Ladies' fine Gowns and underskirts, made of very good grade muslin, trimmed in tucks, embroidery and lace insertions, wide ruffles, double stitched throughout; a wide range of styles and finishes; values up to $2. Special for Monday and Tuesday, choice..... $1.29

Lot No. 2—A select assortment of Muslinwear, consisting of about 50 pieces each of Gowns, Skirts, Drawers and Corset Covers, all beautifully trimmed in laces, insertions and openwork embroideries; vals. to $1. Your choice.... 49c

SEE YAMHILL STREET WINDOW

Our Easter Offerings in Fine Shoes

The Karo-Klapper Co. direct your particular attention to the splendid showing of Easter Shoes in men's, women's and children's wear, specially selected for the Monday and Tuesday sales. These shoes were gathered from the best manufacturers in the country and the materials, fit and workmanship are fully guaranteed.

Try Our $2.00, $2.50 or $3.00 Shoes — You Will Be Pleased With Them.

Better Shoes at $3.50, $4.00 and $5.00.

Cheer Up

Come and Get Your Teeth Fixed Before They Get Worse

Our Careful, Tender Methods Will Please You.

L. L. WHITE, Chief of Staff

GENTLE DENTISTRY

Our Motto: Your Consideration First, Ours Last. Perfect Dentistry; Modest Prices.

VISIT OUR **New Home**

Office Hours from 8 a. m. to 5:30 p. m.; Sundays, 9 a. m. to 1 p. m. Main 3780

SOLID GOLD TEETH CROWNS—Any tooth in the mouth we crown with solid gold, 22k, guaranteed the best for..... $4.00
PORCELAIN CROWNS—Any Porcelain Crown made — no matter what they are called or how made. Our price is..... $4.00
BRIDGES—Solid gold top, solid gold back, porcelain front..... $4.00
Solid gold teeth, 22k bridge, per tooth..... $4.00
All other work same price, proportionately.
Absolute Guarantees—No Better Work in Portland at Any Price. The Best Set of Teeth Made for $7.00

EASTERN DENTISTS

326½ WASHINGTON, CORNER SIXTH (Over Goddard-Kelly Shoe Store.)

BUTTER-NUT BREAD

JUMPING ROPES FREE for the Children

SAVE FORTY LABELS
One on Every Loaf of "Butter-Nut" Bread.

ARGENTINE PAPER BEFRIENDS SPAIN

(United Press Leased Wire.)

Madrid, April 11.—A daily newspaper of Buenos Aires, La Prensa, has embalmed itself in the hearts of Spain by starting a subscription for the sufferers in Malaga by the terrible inundation that has visited that city, and has been the recipient of numerous telegrams from the most prominent people of the kingdom. The prime minister, Maure, has sent the following message: "Fraternal love among the peoples distinct and separated by historic vicissitudes, by geographic distance, proclaims once more the sovereign preeminence of the human spirit, which prevails against disagreements, adversities and even deathe itself. The treasures worthy of true estimation are those which are kept in the heart and understanding; and those which like La Prensa of Buenos Aires, live and diffuse their holy effects merit a higher gratitude than the development of material riches in a nation. Fraternity is the seed which grows and endures forever. Antonio Maura."

The whole nation hopes Admiral Beo will recover.

FOR WOMEN AND CHILDREN ONLY

THE LANE INSTITUTE

Women's and Children's Diseases Treated exclusively by graduate and licensed Women Physicians only

NERVOUS AND CHRONIC DISEASES A SPECIALTY

Maternity Cases given careful attention and up-to-date maternity hospital in connection.

No Charge for Consultation—Correspondence Solicited.

SUITES 5 TO 14 GRAND THEATRE BLDG.
352½ Washington Street Corner Park
BOTH PHONES—Main 3928, A5607

APPOINTMENTS MADE BY PHONE

Bank, Store and Office Railings

Fire Escapes and Fire Casings

Fencing and Trellis Work

Portland Wire & Iron Works

Cor. Second and Everett Sts. Phone Main 3000