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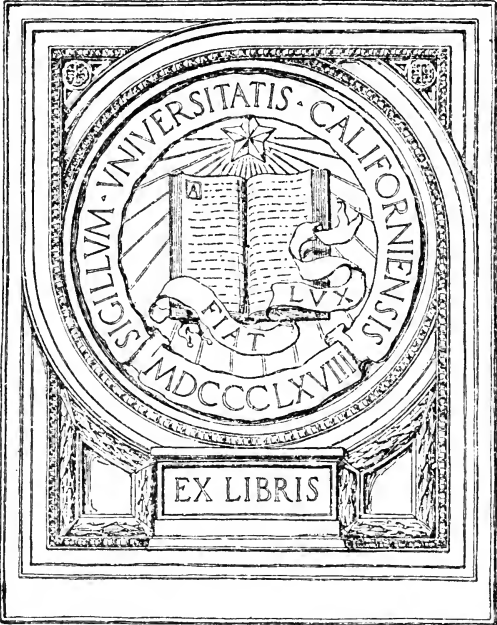
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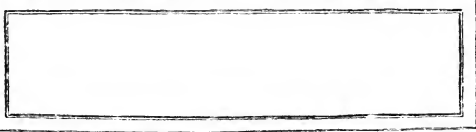


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Defunct Municipal Lighting Plants

NINTH EDITION

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A List of Defunct Municipal Lighting Plants

COMPILED AND COPYRIGHT, 1908, BY
ARTHUR HASTINGS GRANT

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NINTH EDITION
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Preface to the First Edition.

In view of the persistent suppression by advocates of municipal ownership of the real facts in regard to municipal lighting plants, it has seemed worth while to prepare a list of municipalities which have wholly or in part gone out of the lighting business by the sale, lease or abandonment of their plants. In almost every case information has been sought first from the mayor or city clerk, and in cases where no response has been received from them, application has been made so far as possible to disinterested persons, such as the editors of the local papers.

In a number of cases (indicated by an asterisk) these cities still maintain their distributing plants. The apologists for municipal ownership are fain to disregard the failure of the generating plants, and to object to these cities being included in such a list as this. The fact, however, remains that these cities, undertaking to manufacture and sell electricity, have found it more economical to turn over to private enterprise the manufacturing end of the business, and to become mere retailers of the product. This is, of course, due to the fact that it is in the generating department that the greatest difficulties are encountered, and it is also there that the failure of municipalities to keep pace with the improvements in the art are most evident. Such cases afford, therefore, the strongest evidence that city officials whose own money is not invested in the business, and whose own fortunes do not depend upon its maintaining a high degree of efficiency, are very unlikely to show the business push and initiative which is characteristic of private enterprise, and which alone in these days of rapid progress can enable a business to maintain itself in the face of actual or potential competition.

In stating the cost of the plants it has unfortunately been impossible to attain uniformity, as in many cases the figures have been given for original cost only, while in other cases the cost figures include additions and extensions. In general, however, the figures may be regarded as understatements, rather than overstatements, as they have been derived from reports furnished by the city officials either to the census bureau or to the *Central Station List*. In many cases further inquiry has developed the fact that the figures furnished ignored all capital costs except the original outlay.

On account of the difficulty of ascertaining the facts in regard to British plants no attempt has been made to include them in this list,

although the transition back to private ownership has already begun in the United Kingdom, in spite of the fact that British municipal electric plants have been in operation a much shorter time, on an average, than those of America.

The point is frequently made by defenders of municipal ownership that privately owned lighting plants have also gone out of business, and that a large number of such plants have been taken over by the municipalities. In these latter cases, however, the sale of the private plant has frequently been due, not to any failure on its part, but rather because the citizens were made to believe that they could secure equal or better service at a lower cost from a municipal standpoint. Their disillusionment in a majority of cases has come as soon as the city had been in charge long enough to make the results of its unbusinesslike methods apparent, and there has of late been a growing tendency to revert to private ownership. But even where there has been failure under private ownership the loss has fallen upon the stockholders and not upon the community as a whole, as it does in the case of a municipal failure. For citizens who have received no benefit from a municipal plant must pay their share of the taxes levied to wipe out the indebtedness brought about by graft or mismanagement.

In the Census Report, based upon statistics for the year 1902, it was shown that the number of electrical plants which had changed from private to municipal ownership greatly exceeded the number which had changed from municipal to private ownership, the latter being given as thirteen. Since then the tide has turned, and more plants are passing from municipal to private operation than the reverse, the fourteen months ending February, 1908, having witnessed at least thirty such changes,—more than twice as many as the Census Report gave for all the years preceding 1903. The reason of this is not far to seek. In 1902 the great majority of municipal plants were only a few years old, their original installation had not yet worn out, and attention had not generally been called to the misleading bookkeeping which made possible seemingly low rates by ignoring such necessary items as interest, depreciation and renewals, legal services and the services rendered by other city departments at the cost of the taxpayers. Now, however, many of these plants find that their equipment is worn out, or so out of date as to be uneconomical, and that adequate provision has not been made for paying off the original bonded indebtedness or providing for a renewal of the equipment. The lack of intelligent care on the part of political appointed superintendents has frequently been responsible for the breakdown of plants before the expected time, while the rapid development of the industry has made the old methods relatively so expensive that many cities have found it more economical to pocket their loss long before the equipment had

worn out, finding it cheaper to make contracts with companies whose plants are more modern.

The list which follows by no means a complete representation of the failure of municipal ownership in this field, for it does not take into account those cases where cities are avowedly anxious to dispose of their plants, but where no customer has yet been found, nor those cities where a sale of the plants has been ordered by popular vote, but where the city councils, for reasons obvious to practical politicians, have refused to carry out the popular demand to be relieved of the burden. Nor does it take into account the far larger number of cases where the plants would be for sale if the citizens were not deceived by reports in which, by a suppression of many of the factors of cost, a profit is made to appear where there is an actual annual deficit. It is frequently only when the plant actually breaks down through a lack of the necessary expenditures for a proper upkeep, or when the tax rate increases abnormally, that the citizens wake to the fact that their chosen representatives have been keeping them in ignorance for reasons of their own. It should, however, in fairness be said that in some cases at least these misleading reports are due not to any deliberate intention upon the part of city officials, but to the inevitable ignorance of men who are suddenly called upon to supervise for a short period the operation of a complicated business in which they have had no training or experience. It is, however, probably well within the facts to say that if the real condition of the extant municipal lighting plants of this country were known, a very large proportion of them would immediately be placed upon the market.

Defunct Municipal Lighting Plants.

[N. B.—The cities marked with an asterisk still operate their distributing plants.]

AFTON, IOWA—In September, 1913, a contract was made with a private company to supply energy for operating the municipal electric lighting system.

ALLENHURST, N. J.—About four years ago the council of the borough of Allenhurst found that the business had outgrown the old municipal plant, and that a large expenditure for new machinery would be necessary in order to keep it running.

It was therefore decided to sell the plant to a private company in order to obtain better and cheaper service.

ALEXANDRIA, VA.—The electric light plant, built by the city in 1889, and in which \$17,000 had been invested, was sold in 1906 for \$3,500. At the same time a contract was made for street lights at less than the mere operating cost under municipal management. The total annual saving to the city was about \$28 for each arc.

AUDUBON, IOWA—The municipal electric plant was sold or abandoned prior to 1898.

BALLARD, WASH.—In 1897 this city installed an electric light plant at an initial cost of \$10,600, which was doubtless increased considerably during the ten years the plant was operated by the city. In 1902 the plant was leased for fifty years to a company which paid \$3,800 for the lease and its franchise, and agreed to do a certain amount of pumping for the city water works during the continuance of the lease. A well-informed citizen of Seattle to which Ballard has been annexed, writes:

"The reason that the city of Ballard sold its municipal lighting plant was that the total income from this plant equalled about 30 per cent of the cost of operating it."

BARNESVILLE,* GA.—The municipal electric lighting plant at Barnesville, after fifteen years of municipal operation, has shut down its generating plant and is purchasing current from the Georgia Railway and Power Company.

Defunct Municipal Lighting Plants

BATESBURG, S. C.—The municipal electric plant, installed at a cost of \$20,000, has, according to the mayor, been leased to an individual operator.

BERKELEY, CAL.—The following information has been furnished by the town clerk:

"The town of Berkeley once owned an electric light plant, but it has not yet sold the same. The town bought up a franchise previously granted, and, by a bond issue, raised \$30,000 to cover the cost of the franchise and the installation of the plant. This happened in 1889. The town maintained the plant for ten years but on the arrival in Berkeley of a competing company, with newer and modern machinery, etc., the plant belonging to the town was not considered worth continuing.

"Upon the arrival of the competing firm, the town ('town' is the technical designation of Berkeley, although it has a population of over 40,000) advertised to lease the plant. Since that time every two years, the Berkeley Electric Lighting Company, a private concern, leases the plant, or what remains of it, which I do not believe could be disposed of for more than \$8,000 or \$10,000."

BEVERLY, OHIO—After several years of service the electric light plant was sold in May, 1907. The village clerk wrote in explanation:

"Will say the greatest reason for selling the plant was that the village could get no satisfactory service from plant in the manner it was being handled. The plant has been sold to local parties with the hope of getting better service in the future."

BOURBON, IND.—Some time prior to 1902 this town contracted for an electric light plant and issued bonds in payment therefor. On the ground that it had not been constructed in accordance with the specifications the town refused to accept it, and the bondholders were compelled to take over the plant in order to protect themselves.

BOWLING GREEN, OHIO—The following information was furnished by the Mayor in 1908:

"Our city did venture in the natural gas business, in opposition to a home company. Our city 'dads' went in at \$60,000 and sold out to the company three years later at one-tenth the cost of the speculation—\$6,000. The bonds have been drowned in interest and some are still unpaid. The gas was used for fuel and lighting purposes and was a very poor venture for the city."

The plant was sold in 1899 and was not in operation more than five years.

Another authority states that the plant cost the city about \$110,000. Although these statements apparently conflict, they are probably both correct, as the interest on the investment was paid out of taxes, the plant earning only its bare operating expenses.

BOWMANVILLE, ONT.—The town clerk writes:

“The town only had the electric light plant for one year. As it was worn out and required a large amount of money to be spent for renewal the council decided to sell to the Seymour Power Company.”

BRADFORD, OHIO—In answer to an enquiry, the mayor wrote:

“We operated electric plant under lease. It burned in December, 1892, and has been in litigation since. We were sued by owner, who recovered on suit for destruction of building on the ground of negligence—employees said to have been drunk—and have just compromised on machinery. The total loss to the city has been near \$9,000. A plant is now being constructed by a private corporation to furnish street and commercial lights.”

One result of this experiment was to deprive the city of an electric light plant for sixteen years.

BRAIDWOOD, ILL.—The lighting plant at Braidwood was sold to the Public Service Corporation of Northern Illinois in 1910, after nearly twenty years of municipal operation.

“Public Service” quotes Alderman Howatt, chairman of the electric light committee of the village council, as stating that Braidwood will be out of debt at the end of this year for the first time in twenty years; and also gives the following table, compiled by Alderman Howatt, to show the receipts and expenditures of the plant for 1909, and to illustrate the manner in which the plant was conducted during twenty years of municipal ownership.

EXPENSES FOR THE YEAR 1909.

Operating expenses	\$4,000
Interest at 5 per cent on investment	600
Depreciation at 5 per cent	600
Repairs and upkeep	400
Insurance	100

Total Expenses \$5,700

INCOME ALL SOURCES FOR 1909.

Residence and commercial lighting	\$2,150
Street lights	1,278
Sale of water	150

Total Receipts \$3,578

Total expenses	\$5,700
Total receipts	3,578

Loss to taxpayers for year \$2,122

Prior to 1909 the tax rate in Braidwood had been climbing steadily, and in that year the levy was \$3,000; higher than it had ever been, and all because of the light and water plant drain.

In contrast, after the village disposed of the plant to the Public Service Company of Northern Illinois, the tax levy in 1910 went back to \$1,500, and it was the same last year.

BROWNSTOWN, IND.—In 1908 this town sold to a private company the water and electric plant which it had installed at a cost of \$26,260.

A citizen, explaining the failure, says that the change of officials with every election meant a change of the municipal employees, "hence poor work and poor service."

BRUNSWICK, MO.—In 1906 the mayor wrote:

"Brunswick, about twelve years ago, built an electric light plant and water-works, and about a year and a half ago was very happy to be able to sell the same for about 35 cents on the dollar of cost, taking the pay in light and water service. The ownership of the plant ran the city in debt very much and the service was not nearly so satisfactory as it is now under private ownership; nor was it any cheaper. Our city is now beginning to crawl out of debt, made by owning the light and water plant. You could not give Brunswick such a plant under the condition that the city should run the business."

When the plant was sold there were \$10,000 six per cent bonds outstanding.

BUCKLEY, ILL.—On June 23, 1913, arrangements were completed by the Village Board to sell the municipal electric light plant to a private company.

The village president writes:

"Our reason for so doing was on account of the fact that our plant was too small, and it was a matter of either enlarging it or taking current from another source. We made a mistake when we installed our plant, and so thought it advisable to sell out."

BUENA VISTA, VA.—This electric plant was operated by the city for about five years, but in 1895 was sold to a private company because it proved a losing proposition. In the words of the mayor, "it was too expensive."

BURLINGTON, N. C.—The municipal electric light and power plant, installed in 1904 at a cost of \$20,000, was sold in February, 1913, to a private company.

CARROLLTON, GA.—An electric light plant was bought about 1893 by the city council, but was operated only a few months on account of the protests of the citizens, and was turned over to the former owners.

CASSELTON, N. D.—As stated by a leading citizen, the causes which

led to the abandonment of the municipal lighting plant in this city were as follows:

"1st. The plant was installed by a city council who were entirely ignorant of what was necessary, consequently poor equipment.

"2nd. The employment of cheap men, thereby getting poor and inefficient men, and consequently giving poor and unreliable service with frequent shut-downs for repairs.

"3rd. Starting out with a very low rate, which resulted in a large deficit every year, which had to be made up by a general tax.

"4th. The tendency of each incoming council to reverse the policy of the last council, without much regard as to whether it would improve the service or not.

"The result was the plant was sold out for about two-fifths of the original cost, to say nothing of what had been appropriated to make the repairs and general deficiencies of revenue under expenses."

The plant was installed in 1897 at a cost of \$6,000, and was sold about 1903.

CHARLOTTE, MICH.—The municipal electric plant was sold to a private company in 1907. The town clerk writes:

"Our city was dissatisfied with municipal ownership and sold its plant and entire outfit to the Consumers Power Company, which is now giving excellent satisfaction."

CHARLOTTE, N. Y.—In 1897 a municipal electric plant was installed at a cost of \$75,000. The village clerk writes:

"The village disposed of its distributing system to the Rochester Railway and Light Co. on January 1, 1913. Owing to the fact that it was run down so that it would require the expenditure of a considerable sum of money the people voted to sell it for the sum of \$12,700."

CHEHALIS, WASH.—In 1908 the mayor wrote in regard to the electric light plant:

"The city owns the plant, which was leased some time ago to a private party. That party now owns nearly all the machinery connected with the plant. The city, at the time it operated the plant, did not make a financial success for the reason that the city was at that time very small and in dishonest hands—so the story goes."

Since then Chehalis has given the Washington-Oregon Corporation a fifty year franchise.

The machinery was badly used up, and all that was left of the plant is said to have been sold for \$2,800.

CHERAW,* S. C.—The municipal electric lighting plant, which began operation in 1904, has been buying current from a private company since May, 1912. The city clerk writes:

"Our boilers used too much fuel and our load was too heavy for the dynamos. This and mismanagement caused the failure of municipal operation."

CHESTER, S. C.—In 1908 the municipal electric lighting plant was sold to a private company. The city engineer writes:

"At the time the sale was made our old plant was overloaded to the point of break-down, and it was up to the city to either build a new steam-plant at a cost approximately of \$30,000, or to get the Southern Power Company, a corporation which owned a hydro-electric plant about twenty miles distant, to come to the city and sell us current."

CHRISTIANSBURG, VA.—An electric light plant was installed in 1900 at a cost of \$10,000. Five or six years later the generating plant was shut down and power purchased from a private company. In January, 1908, the distributing plant was sold, the experiment having proved very expensive, according to reports. The mayor wrote as follows:

"We had several reasons for disposing of our electric system. First, we only owned the lines in and within a radius of one mile of our corporate limits. The power is generated about 15 miles from our town, and is furnished by the Grayson Electric Co. J. L. Vaughan Co. have purchased our rights and the Grayson plant. We expect street car and other improvements under individual management that we could not under municipal. Christiansburg is bettered financially and we are sure that we have made a good deal for our town."

CHURUBUSCO, IND.—The plant is said to have cost \$25,000, and to have gone into the hands of a receiver when the first bond became due, as there were no funds wherewith to pay it.

CLARION, IOWA—A letter from the editor of the *Clarion Monitor* states that the municipal plant, installed some 16 or 17 years ago, at a cost variously estimated at from \$12,000 to \$15,000, was sold in April, 1911, for \$8,900.

"The members of the council were inexperienced in electrical machinery and, consequently, were obliged to depend on the judgment of others. The councilmen are paid only \$50 a year. Men who make good councilmen usually have business of their own. The management of the plant was subject to the whims of the voters and changes were frequent. The town lost money for the reasons that 'what's everybody's business is nobody's business,' too many leaks and incompetent help."

CLAYTON, ILL.—The municipal electric lighting plant was installed in 1895 at a cost of \$10,000. Under date of October 9th, 1913, the mayor writes as follows:

"Our lighting plant was sold last February to the Central Illinois Public Service Company, of Mattoon, Ill. The plant was a failure—no annual reports were published. When the plant was started the rates were so low that nothing could be set aside for depreciation; after 16 years the plant was so badly run down that it needed almost an entire rehabilitation. To do this would have necessitated bonding the town, which the people did not want to do. They were glad of a chance to sell."

COAL CITY, ILL.—The village in July, 1910, sold its municipal lighting plant to a private company for \$16,500, which was about fifty cents on the dollar.

This plant had been in service something over fifteen years and was losing more than two thousand dollars per year.

COLFAX, IOWA—The municipal electric lighting plant, in operation since 1894, and built at a cost of \$17,500 has been sold to F. L. Breeder.

COLUMBIA, ALA.—This town installed an electric plant in 1906 at a cost of \$15,000. It was operated at a loss for two years and was then leased to the electrician who supervised its construction.

CONCORD,* N. C.—The generating plant was shut down in 1907, when the town began purchasing current. The superintendent writes:

"We found that we could buy power from the Southern Power Co. cheaper than we could make it—hence the change."

COUNCIL GROVE, KAN.—A disinterested citizen writes:

"City formerly owned the electric light plant, but made a failure of operating it and sold dynamo, engine and wiring for \$650. The present company rebuilt the entire system and is giving satisfaction. The rate was a little lower under city control, but did not meet expenses."

The plant was bonded for \$9,000.

CRIDERSVILLE, OHIO—Except for the sake of completeness it would not be fair to include this plant in the list, as the ownership was not voluntary and was terminated as soon as possible; for, when the village was forced to foreclose the mortgage it held on the local lighting plant, it promptly turned around and sold the plant to private parties.

CUBA, ILL.—The municipal lighting plant, which began operation in 1900, was sold on August 13, 1912. The city clerk writes:

"The purchaser of our plant has agreed to give an all day and all night service, which we were unable to have before because the amount of current used was too small to justify a 24-hour service."

CUBA CITY,* WIS.—The village clerk writes in April, 1912:

"The municipal plant here is still owned by the city, but the machinery is for sale, as the village is now getting its current from the Inter-state Light and Power Company.

"The difference is, we buy the current instead of making it, and we have day and night service."

DALTON,* GA.—A franchise was granted in February, 1913, to the Georgia Railway and Light Company to furnish power for the Dalton municipal electric lighting plant. This plant was installed in 1903. The editor of the Dalton *Citizen* says in a letter:

"So far as Dalton is concerned, municipal ownership is a complete failure. Dalton has about 7,000 people and owns its water works, electric plant and gas works. Neither one of these enterprises pay. The chief reason is that they are inefficiently managed; another reason is that the plants were badly constructed as a result of very poor engineering. This kind of engineering would never have been permitted by a private corporation. A private corporation would have gone about the building of these plants in a business like way with contracts drawn so that the plants would be up-to-date and absolutely efficient.

"Municipal ownership is not the success it should be because too little attention is paid it by those governing the city. There are a great many towns in this state that own the public utilities, and there is only one of them that, to my knowledge, broke even last year, at the same time rendering service that the people demanded. In this connection I will state that at one time I was heartily in sympathy with municipal ownership; but seeing its complete failure as a result of bad management and inattention, I have come to the conclusion that it is a failure."

A soap box primary showed that a large majority of the citizens favored selling the municipal electric light and water plants. One voter wrote on his ticket, "Can't sell; give it away and stop expense."

DAYTON, TENN.—Some years ago this city purchased or leased an electric plant, but was compelled to retire from the business because the expense of running it was about three times the cost of contracting for lights from a company.

DELANO, MINN.—After eighteen years of municipal operation the municipal electric lighting plant has been taken over by a private company. The editor of the Delano *Eagle* writes:

"The old plant was too small; it was out of date, worn out and in the wrong place. We only got service from sundown to 11:30 p. m.

"The service was very poor and there was no likelihood that the people would bond for a new plant. Hence when an offer was made for the old plant, and there was an opportunity to get the 24-hour service at reasonable rates, it was immediately accepted.

"According to the last village balance sheet the receipts for the electric light service were about \$1,000 less than the expenses—to say nothing of providing for interest on bonds and for their retirement, which fell on the general fund."

DELTA, IOWA—"Municipal ownership of the city gas plant has been a losing proposition here. The plant has been turned over to a Richland man, who agrees to run the plant and give the city \$1.40 gas. For a long time the light plant has been causing the members of the town council to 'lay awake nights,' for, to tell the plain, unvarnished truth, the Delta gas plant is a losing proposition, and is a great big elephant, or something-

or-other, on the hands of the council, and they have been looking around for some way to relieve the situation. Like the Irishman who snaked up and caught the wildcat by the tail and began swinging it around, afterward finding out that it was not what he had thought it was. He yelled lustily to his friend, Pat, 'For God's sake, come and help me let go of the dom thing.'"—*Light*.

DEXTER, MICH.—The municipal electric lighting plant, installed in 1904, at a cost of \$12,000, has recently been sold to the Eastern Michigan Edison Company. The plant was sold at its appraised value, \$9,000, and the village granted a 30-year franchise to the company. The village president writes:

"We want street lights all night, and commercial lights day and night. We have had light only up to one o'clock at night. This Edison Company gives us continuous light, so we can have it when we want it, at a price that we could not possibly make it with our system."

DEXTER, MO.—The municipal electric plant, installed in 1896 at a cost of \$16,000, was leased to its former manager in 1905. The plant was sold to its present owner in 1910 for \$5,150. The city is said to have lost \$100 each month on operation.

DULUTH,* MINN.—To those unfamiliar with the facts—the reports assiduously circulated about the gas department of this city would give the impression that the profits reported are the result of municipal operation. This is, however, far from the truth, for in 1904 the city shut down the generating plant which it had purchased only six years before, and since that date it has been merely a distributor of the gas made by a private company.

During the five complete years (1899-1903) that the city made its own gas the average cost per thousand feet was \$1.20 and the receipts \$1.17. In these cost figures there is no allowance for depreciation, lost taxes, accidents, legal services, etc. A very moderate allowance for these would greatly increase the loss per thousand, and if private enterprise had not come to its relief the gas plant would have ultimately proved a grievous burden, although so far as possible it had been removed from political influences.

The reductions in price of gas made by the city while it was operating the plant were due largely to the great increase in demand resulting from the rapid increase in the use of gas for fuel purposes, as well as to improvements in the art of manufacture; but in no case were they warranted, for the real cost was always in excess of the net price.

The reduction in price since the city abandoned the manufacture of gas is due to the private enterprise of the coking plant which supplies

gas as a by-product to the city, and which has spent many thousands of dollars in exploiting the gas to increase its sales. As a gas expert, who has no interest in this company, writes:

"Of course this is very fine for the citizens of Duluth, but it is not municipal ownership, as the city is freed from the two factors which ordinarily are the worst features of municipal plants, to wit: lack of proper handling of the manufacturing end of the business, and lack of push in exploiting the commercial side. In short, the city of Duluth simply distributes the gas and collects the bills."

DUNKIRK, IND.—In 1901 the city purchased the electric light plant, assuming the bonded indebtedness of \$23,500. As it was not paying its way the city effected a compromise with the bondholders, to whom the plant was turned over in 1904, the city making a cash payment of \$2,300. The mayor writes that the sale was due to "political changes in control."

Another citizen of Dunkirk writes as follows:

"The city was each month in the hole and had to use up the street and alley fund to keep the lighting plant running. A blacksmith was called in to make any repairs that were necessary on the boilers and machinery. General incompetency along the whole line made it impossible for the city to make interest on its bonds."

EAST CHICAGO, IND.—The electric plant was purchased from a private company in 1900 for \$34,500. In 1903 a receiver was appointed, and as the city was unable to redeem the plant it was sold in 1907 together with a 25-year franchise.

EAST GRAND FORKS,* MINN.—The burning down of the electric light plant in March, 1907, settled the question of its abandonment, which was under discussion prior to the fire. Five days after the fire, at a mass-meeting of the citizens, it was decided by an almost unanimous vote not to rebuild the plant, and to make a five-year contract for current with a company in an adjoining town.

A well-informed correspondent writes that "the plant has furnished a somewhat indifferent service, and did not earn enough to pay the fuel and labor accounts, to say nothing about interest on investment, depreciation, etc.," in spite of its charging private customers \$120 a year for 1,200-c.p. arcs on moonlight schedule.

As East Grand Forks is a border town and right across the line in North Dakota (a prohibition state) is the city of Grand Forks, about 90 per cent of the business houses in East Grand Forks are saloons. Many of these got their electric lights from a private company in Grand Forks, because the service was better and the price lower, until the council passed a resolution to the effect that no saloon would be licensed unless it patronized the municipal plant!

EDGEWOOD, GA.—The municipal electric plant, installed in 1907 at a cost of \$15,000, was shut down in 1908 when Edgewood was annexed to Atlanta, the latter city being satisfactorily served by a private company. The plant has been sold.

ELGIN, ILL.—In 1888 a municipal lighting plant was installed in Elgin. In 1904 the plant was leased to a private company. While the plant was in the hands of the city, Elgin was hailed as a shining example by municipal ownership enthusiasts, but later municipal operation was discovered to have been the most dismal of failures.

The loss, during the period of operation, is said to have been at least \$100,000 as compared with what it would have cost to light the streets by contract. At the time when the plant was taken over by the private company it was practically worn out. The original cost of the plant was \$30,000, which is an additional loss to the city.

In 1907 a well-informed citizen gave the following data in regard to the plant:

"Under municipal control 247 lamps were operated one year at the cost of \$28,000, in contrast to the contract price made by the private company of \$14,326. In 1905 the city electrician showed that the cost of producing light for commercial purposes alone was \$7,800 per year, while receipts were \$6,200. An investigation by the city finance committee, however, made the discovery that the actual cost of producing current was \$9,500. According to reports from the plant, it was easily costing the city \$3,000 per month for operation, or \$36,000 per year. Under the arrangement made by the private company, the same number of lights would cost about \$16,500, less than half the amount under municipal operation. There was a great deal of general dissatisfaction in regard to the 'suicidal flat rate,' which resulted in reckless waste of current and jealousies among patrons springing from the discriminations made under this system. Under private operation, the meter system is employed, to the general satisfaction of the public."

A city official, quoted in "The Business of Municipalities and Private Corporations Compared," gives \$106.73 as a moderate estimate of the annual cost per arc. He says:

"The electrician's report shows that the city has been selling light for from 25 per cent to 50 per cent less than the cost of manufacture. Members of the electric light department admitted they could not run economically for less than \$35,000 per year, but they wanted \$45,000.† Under our contract with the private company we light the same number of lamps and more hours per year for \$15,654,† a saving of \$20,000 per year figuring operating expenses only. Statements from the light department show that if proper attention had been given to repairs of lamps, at least \$2,000 in coal would have been saved. Hardly a joint in our whole 45 mile circuit is soldered or wrapped; they are simply twisted together. There is no estimate of the enormous loss of current over such loose joints and yet it has been so for sixteen years."

† Another authority states that these figures should be \$42,000 and \$14,326 respectively.

The following story shows how this plant was made to serve the private ends of the politicians. A mayor, who was a candidate for reelection, attended a dance given by a local lodge. Noticing how brilliantly the hall was lighted with electric lamps, the mayor said: "How much do you boys pay for these lights?" He was told \$35 per month. "I will do it for \$10," replied the mayor.

ELLISVILLE, MISS.—There has been an almost unanimous vote in Ellisville, Mississippi, favoring the sale of the lighting plant to a private company. The mayor writes under date of May 11, 1912:

"Our electric plant was not a paying investment by any means. It was the desire of the people that it should be sold."

ELLWOOD CITY,* PA.—An electric light plant was installed in 1901 at a cost of \$15,000. By 1904 it had become inadequate to carry its load; so the generating plant was shut down and has stood idle ever since, power being supplied by a private company. A writer in the *Ellwood Citizen* shows that, allowing only five per cent for depreciation, the street arcs cost more than \$100 each for the year ending April 1, 1903.

EMAUS, PA.—The electric light plant was installed in 1890, and sold five years later at about one-third of its cost. The borough clerk states that the reason for abandoning the plant was chiefly its heavy expense, the lights costing considerably more than the borough could get them for from a private company.

EMPORIA, KAN.—"The electric-lighting system of Emporia, Kan., at one time owned by the local combination gas company, was purchased by the city nearly fifteen years ago. For thirteen and one-half years it was then operated as a municipal plant, following which, in April, 1911, it was leased by a private syndicate which now operates it. During the period of its service as a city undertaking the property was managed by the same man who has since been in charge for private capital, so that an excellent opportunity is here afforded to compare the limitations and advantages of municipal and corporate operation, assuming the important factor of managerial skill and acumen to have remained practically constant throughout both periods. In fact, the former Emporia situation was an example of the best conditions of municipal operation, wherein a capable manager was retained in his position throughout the terms of three different political parties and the operating force did not fluctuate with varying political fortunes. The question of renting the plant and abolishing municipal service was voted upon by the people of Emporia and the proposition thoroughly approved before action was taken. Since

taking over the property the tenant company has expended \$55,000 in improvements at the generating station, including the installation of a 500-kw steam turbine. The existing municipal equipment comprised one 150-kw and one 360-kw engine-driven alternator and four 150-hp boilers. The larger engine set is now being operated regularly with the turbine. Extending the distribution system by more than 100 per cent of its former scope, many new lines have been opened up to outlying territory and new customers taken on who have long clamored for service."—*Electrical World*.

ENGLAND, ARK.—In 1907 the city council leased the electric light and water plants, installed in 1900, for six years. An inquiry as to the cause of this action brought the following reply:

"The reason that the town wanted to lease these was because for it to operate them was a losing game, and it could not afford it."

Another correspondent assigns "gross mismanagement" as the cause.

ENGLISH, IND.—The mayor writes that the electric plant was sold in 1907 for 35 per cent of its cost "because of the financial loss to the city." As it had been operated only seven years, this makes the depreciation 9 per cent a year.

ESCANABA,* MICH.—The municipal electric light plant was installed in 1900 at a cost of \$70,000. In 1908 the generating plant was closed down, a ten-year contract having been made with a private company to furnish current. As far back as 1905 the finance committee of the city council advised selling the plant on the ground that it was losing money. In 1907 an attempt was made to bolster up the plant by having a special audit, the report of which showed a generous profit by the usual methods of suppressing some of the large cost factors. When, however, it was found that \$15,000 or \$20,000 would have to be spent on renewing the plant a vigorous protest was made by the citizens, one of whom naïvely asked why the lights were so poor and so often out if the plant was as good as was claimed by some of the city officials.

Shortly before the above contract was made a member of the Board of Public Works wrote as follows:

"Our lighting plant is about the same as all other municipal plants, which to my mind is never a great success to the city, on account of so many contingencies arising in the management of the same. The manager is subjected at all times to change of administration and political influences, which is not always for the best of the service.

"This city bought this plant something like eleven years ago, and during these eleven years it has not always given the best of service. It has not begun to pay

for itself, and now we are confronted with the reconstruction of more modern machinery with the hope that from now on it will do better.

"I have yet failed to see any great result of municipal ownership of public utilities for reasons above stated, viz: that you will never be able to get as efficient and conservative managers as corporations or private individuals. When they sustain a loss they will have to bear it; if the municipal plant sustains a loss it is up to the taxpayers to make it good."

The city also owns a gas plant, of which the *Escanaba Mirror* said:

"Excessive rates and an unsatisfactory lighting service being furnished to consumers of Escanaba by the municipal lighting plant has resulted in Escanaba becoming the Mecca for representatives of gaslight manufacturing companies, and a majority of the business places on Ludington street are now being lighted from private gas plants installed by the store tenants."

EVART,* MICH.—This municipal plant was installed in 1890 at a cost of \$20,000. In 1912 the village granted a franchise to a private company to furnish electricity for light and power. The village clerk writes:

"The real cause for the failure of municipal operation was due to the fact that we sold electricity for less than the cost of production. Without making a complete inventory I could not find the exact figures of our loss, but I don't think it would exceed five or six thousand dollars."

FAYETTEVILLE, N. C.—The city electric light plant was installed in 1902 at a cost of \$30,000. A few years later the generating plant was closed down and a contract for current was made.

The municipal plant has since been sold, and the town is now being lighted by a private company.

FINDLAY, ILL.—Early in 1913 the Village Board sold to a private company the electric plant installed at a cost of \$7,500. The village clerk writes:

"Our reason for selling the municipal plant was because it was a money-losing proposition. I do not believe a plant can be operated successfully in a town of this size."

FINDLAY, OHIO—The municipal gas plant was sold in 1899, being in debt at that time for \$60,000. The plant was originally purchased from a private company for \$75,000, in addition to which \$40,000 was spent immediately after the purchase. The total amount of debt amounted at one time to \$310,000, this being reduced from time to time from the taxes and from the income of the plant. In 1899 the natural gas wells gave out, and the city was confronted with a situation where it must sell out or spend \$150,000 more, for which there were no available funds, in building an artificial gas plant. This would have necessitated a great advance in the rates. Rather than do this the city sold the plant for

\$150,000 to the Citizens' Gas Light & Coke Company, which now obtains gas from a pipe line 110 miles long, and charges exceedingly low rates.

When asked regarding the plant, the former superintendent said :

"When the city owned the plant unnecessary expenditures were constantly being made, while, in many cases, necessary improvements were ignored. The pipe line, some of which was thirty years old or more, was in very bad shape. A large amount would have been necessary to put the plant into shape, by the city. It was therefore sold. The company immediately set to work to remedy the defects in the old plant, so that now practically all of the pipe lines in the city are new. No city can own and properly operate a gas plant."

On June 13th, 1913, a proposition to issue \$57,000 in bonds with which to construct a distributing plant for electrical current to light the city streets was voted down.

FORSYTH,* GA.—This city has found that it is cheaper to purchase current than to manufacture it in the municipal plant. A contract has been made with the Central Georgia Power Company.

FORTY FORT, PA.—The municipal plant formerly operated by the borough has recently been taken over by the Luzerne County Gas and Electric Company. A citizen writes :

"The plant had never been operated at a profit, although an ingenious method of figuring on the auditor's report made a plausible showing."

FORT WORTH,* TEX.—The municipal lighting plant was installed in 1891. In 1911 the generating plant was shut down and a contract for current was made with a private company.

The following report made by Mr. John F. Grant, the city light commissioner, giving comparative results under municipal ownership and when purchasing current, shows the saving to the taxpayers.

UNDER MUNICIPAL OWNERSHIP.

Current used in City Hall, seven months in 1911.....	\$1,149.24
Holly Water Works Plant, amount of electricity used in 1911.....	1,148.14
Street lighting, first four months of 1911.....	7,412.40

Total\$9,709.78

CURRENT BOUGHT FROM PRIVATE COMPANY.

Current used in City Hall, seven months in 1912.....	\$ 796.97
Amount of electricity used at Holly Water Works Plant in 1912.....	417.93
Street lighting first four months of 1912.....	6,695.96

Total \$7,910.76

The commissioner says in his letter dated December 19th, 1912 :

"As a general proposition I believe that any city is better off while steering clear of municipal ownership, because it is a political job, and where politics enter into these large concerns, it is very hard to keep them on a business basis. Our city owns its water works and they are a very great expense. I think in general, it would pay any city to buy street lights when they can make a good contract for current. From all that I can pick up or find out I believe that water works and light plants are usually expensive to a city."

FRANKFORT, N. Y.—In 1903 an electric plant was installed at a cost of \$6.50 for each inhabitant. In 1907 the village trustees made a five-year contract with the Utica Gas and Electric Company because its price is less than the mere operating cost of the municipal plant.

FREDERICKSBURG, VA.—The municipal electric light and water plant installed in 1902 at a cost of \$18,000 has been leased to a private company.

The city commissioner, writes under date of October 9, 1913, as follows:

"Until recently the City of Fredericksburg owned its own water rights and power plant, and a contract was entered into with the Fredericksburg Power Company because on account of the extensive developments made by the company they were able to use the same water that the city was using, at an increased head, which made it to their advantage to take over the city's water rights.

"In order to secure these rights from the city, they have entered into a fifteen-year contract to furnish the city with all lights necessary, at a figure more than one thousand dollars less than the cost of operating the city plant formerly."

FULDA, MINN.—A letter from the mayor contains the following statement:

"Our plant was not sold but given away in 1902; but the deed was not executed until five years later, as according to contract the present owner was to run it for five years [in payment] for it. The reason for giving it away was that it ran about \$1,000 behind every year. The original cost was about \$5,000."

This original cost must have been increased by later additions, as in May, 1904, the superintendent reported the cost as \$10,000.

About three years ago a number of the business men took over the plant, and, by the introduction of new methods and the installation of better machinery, put the plant on a good financial basis.

GALENA, ILL.—The electric light plant was installed in 1898 at a cost of \$18,000. It was sold in July, 1908, for \$13,000, but this price included a 25-year light, power and traction franchise. Under the new contract the city gets practically twice the amount of street lighting that was furnished by the municipal plant at only fifteen per cent greater cost. The plant had not been a success. One account of it says:

"Its management was changed as often as new political cliques gained power, and at times there was no street illumination at all. The commercial service was inferior."

News of the action of the council spread rapidly, and a large crowd

congregated in front of one of the hotels to express their delight at getting rid of the plant. A brass band was pressed into service, and speeches were made by prominent citizens.

GASTONIA,* N. C.—The mayor writes in explanation of the shutting down of the generating plant:

"We installed our lighting plant in 1900 and generated our own current until 1906. At that time we found that we had outgrown our generating plant and that we could contract for our current cheaper than we could install additional apparatus and generate the same."

GILROY, CAL.—Two of Gilroy's three municipal enterprises have been turned over to private ownership.

When the gas plant was leased in 1908, after five years of municipal operation, the following resolution was passed unanimously:

"Whereas, the records of the city show that for more than three years past the municipal lighting plant has been conducted at a large loss to the city, and

"Whereas, we are informed, and believe the same to be true, that in order to equip said municipal lighting plant so as to produce an adequate supply of gas of a good quality, and without a loss to the city for manufacturing the same, will require an expenditure of money largely in excess of any funds of the city available for such purpose, and in excess of the limit fixed by the charter of the city for obtaining such funds by taxation; therefore be it

"Resolved, That the leasing of the gas department of said municipal lighting plant for a term of years, and the discontinuance of the production of electricity is a public necessity."

The city clerk wrote at the time the lease was made:

"The weak features of municipal ownership and operation as we have found them are as follows: There is no provision made for laying aside each year a certain amount as a sinking fund to renew the system when it becomes deteriorated through age and usage; secondly, our city council serves for a period of two years, when usually new men take their places, and very often one set of officers undo the good accomplished by their predecessors. There is much more that could be offered on the subject, but lack of time prohibits my going further into the matter. Rest assured that we have sifted this matter to the very bottom."

The electric light plant built in 1905 from the proceeds of \$15,000 in bonds was operated at a loss only slightly less than that of the gas plant. It was leased to a private company in 1911, at an annual rental of 10 per cent of the gross receipts.

The San Francisco *Chronicle* gives the following data:

"During the fiscal year 1909-10 the receipts of the electric plant were \$5,721.87, and the disbursements were \$9,667.19, leaving an operating loss of \$3,945.32. This figure does not include any charges other than the cost of operation and maintenance.

"During the first eight months of the fiscal year 1910-11, when the plant was leased, the losses were still greater. In that period the receipts were \$3,882.82, and the disbursements were \$7,663.56. If the loss of \$3,780.74, which was sustained

Defunct Municipal Lighting Plants

during the eight months, were projected throughout the year, it would amount to \$5,671.08.

"Taking the fiscal year 1909-10, as the figures are complete, and adding the proper charges, the entire losses sustained by the plant would be as follows:

Operating loss	\$3,045.32
Bond interest at 5 per cent.	639.45
Investment interest at 6 per cent.	132.30
Depreciation at 2½ per cent.	375.00
Taxes at \$1.46.....	109.50
Salary of City Clerk 1/6.....	150.00
Rent City Hall	60.00
Total	<u>\$5,411.57</u> "

It may be said on the authority of the most competent experts that an allowance of two and a half per cent for depreciation is entirely inadequate. From three to five times that amount should be allowed.

GIRARD, ILL.—The municipal electric lighting plant, which began operation in 1899, was sold on December 3, 1912, to a private company. The committee appointed to investigate the plant submitted the following report:

"To the Honorable Mayor and the City Council of Girard, Ill.—

"We, your committee appointed to investigate the conditions pertaining to our electric lighting plant and to hear propositions from anybody concerning the plant, beg to report:

"We find that up to January 3, 1900, the end of a city fiscal year, the city paid out \$5,649.84 for the purchase of our lighting plant, equipment and four months' operation; that in the next fiscal year the city collected \$1,988.69 for commercial lighting, and paid out \$4,137.24 for the lighting plant. From the city treasurer's annual reports for the fiscal years ending 1902, 1903 and 1904, we find that the collections for commercial lighting were \$1,619.55, \$2,162.70 and \$2,251.04 respectively and the amounts disbursed for said years on account of the city lighting plant were \$3,240.71, \$3,206.17 and \$3,231.40 respectively. We cannot find the books of the city treasurer for the fiscal year ending 1905. Incidentally, we would recommend a system and place for filing the old books and records of the city. Not until 1905 were the finances of the city handled on the treasurer's books according to funds, therefore we were compelled to pass several expensive years in the history of the plant in figuring what it has cost the city to operate its plant.

"We find that from 1905 on, the city spent all the collections and revenue accruing from commercial lighting on the operation of the plant and in addition thereto the following appropriations from the moneys of the city: 1905, \$500; 1906, \$3,121.65; 1907, \$1,393.15; 1908, \$6,593; 1909, \$1,572.52; 1910, \$1,399.51; 1911, \$1,050; 1912, \$500.

"The interest on the light bonds for seven years at \$247.50 per annum was \$1,732.50, making a total to the city of \$12,839.53 for seven years' operation of the plant. Thus it appears that for the last seven years the city has spent an average each year of \$1,834.22 and in return therefor has had its streets lighted. As near as we could ascertain, the city could buy the same number of watts of electricity for street light-

ing for about \$500 per annum. We now have 27 street lights burning until midnight on a sort of moonlight schedule. The control and management of the plant is vested in an electric light committee who receive a part of two dollars per month for this service, so it may be imagined how much time each month this committee can devote to the plant. As a rule a business of this kind will not run itself successfully. In the buying of supplies this committee is hampered by the lack of available ready cash, so essential to successful buying. They must lose cash discounts and quantity price.

"The management and operation is also a prey to the spoils system of politics. A 'dry' mayor would be likely to appoint 'dry' management, and a 'wet' the reverse, but it is creditable to the present mayor that he has put business ahead of politics. Most people now concede that business and politics do not mix well and yet we find politics in place of business brains in control of the city lighting system.

"Another important feature almost entirely overlooked is the city's liability in case of accident to its employees. These are difficult to figure on but the probability of their occurrence is always considered by those who spend a lifetime on such figures. We refer as evidence to the premium rates on this kind of insurance since the passage of our new Illinois laws on this subject. Suppose the city treasury should get hit for \$5,000 or \$10,000 to be added to the annual cost of \$1,834.22. The city has no employer's liability insurance. Think of the hazards of this business! The committee is not familiar enough with electricity and its accessories to enumerate more than a few of them, but we would call to your attention the fact that our plant has no lightning arrestors, though lightning may, at any time, wipe out hundreds of dollars worth of machinery. Explosions occur. A pole may fall on somebody or on a horse. A live wire may get within touching distance of some of our people. All of these hazards are daily risked without any profit, whereas in a business such as this, the profits should be large enough to cover the hazards.

"Then there is the possibility of the value of our investment shrinking because the plant may become obsolete. Now small units for the generation of electric current are being abandoned for the larger units with their greatly decreased cost in the production of current. It was this fact that brought you to appoint this committee. How fast will these changes and new inventions come? Even now your committee has been unable to find anybody or any corporation who will lease our plant and agree to manufacture in it all the current they may sell, because they claim that our plant is bound to be operated at a loss, and that they can buy current from a large unit plant much cheaper than this plant can produce it. *In the name of reason, how can the city afford, with its political management of business, to continue to operate a plant that nobody else can make pay?* A few words about the service. We have street lighting only until midnight, and everybody knows that crime flourishes best from midnight to daybreak and that light is one of the best preventatives of crime. We have now no day current. On account of lack of funds we can make no extensions, consequently we have citizens and taxpayers wishing to buy current, but unable to get it, which does not seem just, inasmuch as our present system is maintained by some of everybody's tax money."

The committee was adverse to leasing the plant, and pronounced strongly in favor of selling to a private company which would guarantee "efficient service, day current, prompt response to trouble calls, etc." It was anxious that the city should free itself from the incubus once and for all, and be rid of "that bonded indebtedness which for years has held the city back on anything and everything." The report continues:

"A few years ago our city had numerous fires and needed fire protection, but there was the bonded debt. Luckily the assessed valuation of property had increased enough so that the city could squeeze by on the purchase of a fire engine."

GLADSTONE,* MICH.—The municipal electric light plant, installed in 1897 at a cost of \$52,000, has been purchasing power from a private company since 1910.

GOLDSBORO, N. C.—In the *Electrical World* of May 18, 1912, it was stated that the municipal electric light plant has been purchased by the Carolina Power Company of Raleigh for \$125,000, "which includes a 60-year franchise for lighting the city and for furnishing electricity for lamps and commercial purposes."

The editor of the Goldsboro *Headlight* writes as follows:

"The local lighting plant was found to be inadequate to present demands, requiring an additional outlay of \$30,000, which the city did not have to expend. The efficiency of its management was handicapped by politics, and lack of funds to make improvements.

"The consumers had to pay more for light than under private management. Altogether the service was unsatisfactory."

GOODLAND, IND.—The municipal electric lighting plant, which began operation in 1894, was sold to a private company on November 1, 1912. The president of the town board writes:

"The lights were on only from dusk until 11 p. m. and, during the winter, two hours of a morning. Some of the business houses preferred their own plants, such as carbide or gasoline. This cut off our revenue and we had to charge high for street lights in order to run the plant.

"We sold to the Northern Utilities Company and will now get twenty-four hour service without any more cost than before. Our plant was about worn out, and I deem it a wise plan to dispose of it and get better service."

GRACEVILLE, MINN.—The president of the village council writes as follows under date of September 27, 1913:

"This village has been operating its lighting plant during the past seventeen years and while I have not the figures at hand it is safe to assume that the plant has run \$2,000 a year behind during this entire period. Hence, when the Otter Tail Co. made an offer for the plant and agreed to furnish lights for about 25 per cent. less than our people had been paying, with the additional inducement of getting a 24-hour service, they accepted the proposition at a special election by a vote of 128 in favor and 3 against.

"In a village of 1,000 people operating under the somewhat primitive form of local government as provided by the laws of this state with the term of office of municipal officials running but one year, there is necessarily no continuity of business policy and hence these plants as a rule are not managed as economically nor as efficiently as the private corporation operates them.

"In making this sale our people were guided in a large measure by the experience

of other towns in this part of Minnesota which are now served by the Otter Tail Co."

GRAND LEDGE, MICH.—In 1895 this city installed a water and electric plant at a cost of \$24,000. In 1908, by a vote of 327 to 96, the electric plant was sold to a company. At the time of the sale the mayor wrote:

"Reasons for change are cheaper operation, extra service and better service."

GRAVESEND, N. Y.—The municipality constructed an electric light plant at a cost of approximately \$120,000. It was, however, never put into operation, and was sold for \$31,100 after the annexation of Gravesend to Brooklyn.

GRIFFIN,* GA.—The municipal light, water and sewerage plant, installed in 1895, has begun to purchase power from a private company.

HAMILTON,* OHIO—This city shows better than any other what may be expected of municipal ownership when carried out fully, for it is the only city in the United States with a population exceeding 25,000 which has built and operated its own water, gas and electric plants. The gas plant, installed in 1890 at a cost of \$150,000 (subsequently increased to \$221,383), was closed down in 1906—a total wreck, bonds to the amount of \$110,000 being still unpaid at that time. For some time before this it had been purchasing most of its gas from a competing company. Since 1906 the city has bought all its gas.

On March 9, 1906, a report on the financial condition of these plants was filed with the state auditor by Mr. L. B. Cooke, special examiner of the state bureau of inspection and supervision of public offices. In this he shows that, *considering operating expenses only*, the gas and electric light works incurred losses for the three years ending December 31, 1905, of \$16,689 and \$4,426 respectively, while the waterworks show a profit on paper of \$12,797. When a proper allowance is made for depreciation, interest, insurance and lost taxes, it appears that the aggregate loss of these three plants for the three years exceeds \$230,000. The following extracts from Mr. Cooke's reports show the situation in detail:

"The administration of the board of public service, extending over the period stated heretofore, is marked with evidence of mismanagement, extravagance and unbusiness-like methods in the operation of public properties placed in their charge.

"The evident lack of organization and concentration of superintendence and labor and the employment of inexperienced men to superintend important work, where both mechanical and electrical skill were necessary in order to understand the needs of the several institutions for an economical operation and maintenance, existed in this department. In the electrical department the enormous waste of energy, owing to faulty construction, has raised the cost of production of current

to an abnormal figure. The operating of the gas works has been far from economical, and it is an established fact that the cost of production of light and power from both utilities have at times exceeded the schedule rate charged for the service. Apparently no attempt has ever been made on the part of the board to place these properties on a paying basis, notwithstanding the existence of competition and urgent necessity.

"The board of public service contracted for several thousand tons of coal annually. This coal was apparently delivered and paid for on weights furnished by contractors, unsupported by evidence of mine or railroad weight. Computation of coal delivered and consumed at the gas works for a given time shows that either the city has paid for a large amount of coal not delivered, or that a considerable amount of product of this plant has been disposed of without return of revenue into its coffers. No periodical statement of cost of operation of the utilities had been made since January 1st, 1905, and the working of the plants appears to have been left to employes without the rendering of an account of performance.

"The manner of handling sales of coke, tar and other residue at the gas works was primitive in the extreme. The money for such sales was paid in at the works to the most convenient employe, and it is in evidence that a heavy leakage of public money has occurred through this irregular manner of transacting coke sales. A regular sales-book was kept at the gas works with consecutively numbered ticket and stub with number printed thereon. The examiner found hundreds of *duplicate* tickets issued at the gas works with *number written in with pencil*, but the original tickets were nowhere in evidence. This practice left a large loop-hole for dishonesty. The sales-book stubs, covering a period from Sept. 14th, 1905, to Dec. 24th, 1905, are missing and cannot be located.

"The board has allowed the accumulation of an extraordinarily large delinquent list of patrons of the public service. On Dec. 31st, 1905, there was more than *thirty-five thousand dollars* of uncollected accounts on the books of the board; many of these accounts had been running for some years. Officials, ex-officials, prominent citizens and others, were enjoying free service; while these accounts were duly charged on the books, apparently no effort had been made toward their collection or adjustment. Several individual accounts ranged from *one hundred to eleven hundred dollars*.

"The board has permitted private employes to dispose of coal and the products of the utilities. This procedure is against good policy, if not a violation of the statutes. Instances were found where public property had been disposed of and no charge made against the employe; other cases where charges had been made in the regular manner, but no payment had ever been made on the accounts. In view of the fact that the record of sales and disposal of fuel for a considerable period are now missing, the full extent of the loss will probably never be known."

After the filing of this report the board of public service procured the services of an expert, Mr. Wm. E. Maher, to examine the plant. In his report Mr. Maher says:

"I beg to submit herewith the result of my investigation of the municipal gas works property of the City of Hamilton and its operation, and my suggestions are that the plant be shut down at once, as you are simply carbonizing 22,000 pounds of coal to make coke which you are selling at about half its commercial value. The general condition of your coal gas plant is in such bad repair that you are simply burning up what little gas you do make. The retorts are so congested with carbon

that it is impossible to get a proper charge of coal in, and inasmuch as the retorts are in such bad condition, if you were to remove the carbon you would simply have no retort.

"On account of your taking gas from the Otto Coke people, their pipe being connected to your works meter, I was obliged to determine the make, if any, by placing a hundred light meter on the outlet of your coal gas plant and found that there was but seven hundred feet per hour coming through. It did, however, get up once to a thousand feet, but this did not go into your holder as the holder pressure would not permit without speeding up the engine to overcome the holder pressure. In doing this I found that the leakage was so bad in the retorts and around about the stack generally that I would draw air through to such an extent that it would not burn. Hence I am satisfied that you have been simply churning this gas back and forward and burning it up.

"My reason for recommending that you discontinue the use of this plant as soon as possible is that you are losing in round numbers daily sixty-five dollars. I arrived at this conclusion by taking your coal, purification and labor together, and it shows this amount."

The Hamilton correspondent of the *Cincinnati Post*, who was evidently a firm believer in municipal ownership, stated that "the failure of the city plant is due to the fact that it was made a refuge for heelers who were too tired to work," and adds that "the same road that was traveled by the gas plant is now being traveled by the electric light plant." He might well have included the waterworks also, for the board of public service asked for \$100,000 to rehabilitate it, as well as for \$125,000 for the reconstruction of the lighting plants.

Whatever effect politics may have had upon the gas plant its failure was due quite as much to the total ignoring by those having it in charge of the relation between price and cost. To satisfy the public demand for cheap gas they made two sweeping reductions in price without regard to cost and without reducing cost by conservation of by-products. By thus selling gas at less than cost the city nearly put the private company out of business. The latter, however, by availing itself of modern processes succeeded not only in meeting the competition but in giving better service than was furnished by the city. It should be noted, however, that while their prices were identical, the city was selling at a loss, while the company was making a profit.

All that can be said for the city plant is that it may have slightly anticipated the reduction in price that has generally resulted from the introduction of new methods; but to accomplish this it laid upon the taxpayers a burden greatly in excess of any saving in the price of gas, the tax rate having risen until it reached \$3.40 in 1907, not including special assessments.

HAMPSHIRE, ILL.—In 1893 the village installed dynamos and a dis-

tributing system at a cost of \$5,000. This was sold in 1908 for \$3,600. In the ordinance providing for the sale it was set forth that the plant "had become unprofitable to and a burden upon said village."

HARRISVILLE, W. VA.—In 1908 the mayor wrote:

"Some eight years ago this little city purchased a [natural] gas plant at a cost of some \$10,000. The revenue from the plant paid for it and left a surplus. Two years ago we leased the plant to a private corporation at a generous rental."

So far as we know this is the only lighting plant transferred to private parties while being operated at a profit, as this one apparently was. It is noteworthy, however, that the people evidently believed that they could get better results from the plant if it were under private management—or they would not have leased it.

HART, MICH.—The municipal electric light plant, installed in 1896, was recently sold to a private company.

The city clerk ascribes the failure of municipal operation to "the increase of commercial lighting, which necessitated the carrying of a peak load, thus enhancing the cost of production and causing the plant to become greatly deteriorated."

HARVARD, ILL.—The electric light plant, installed in 1895, was sold in 1907 to a private company for \$1,425 on a forty-year franchise. A letter from a prominent citizen gives the following explanation of this action:

"The reason for selling was that the plant had deteriorated. The service had been very bad and the people were not disposed to put money into a new outfit. Recent administrations let the plant run down and the Joyce & Condon offer seemed to be a chance for relief, and it was taken."

It is estimated that under municipal management the cost of street arcs exceeded \$150 a year apiece.

HEMPSTEAD, N. Y.—The municipal electric light plant was sold to a private company about seven years ago.

HICKMAN, KY.—The electric light and water plant, installed by the city at a cost of \$30,000, was leased in 1906 to the Hickman Ice and Coal Co., for a term of twenty years. The mayor assigned as the reason that "the plant was not self-sustaining."

HIGH POINT, N. C.—In 1892 this city installed an electric light plant at a cost of \$20,000. It was sold to the North Carolina Public Service Company ten years later. The mayor states that the service is greatly improved and the rates are considerably lower.

HILLSBORO, ORE.—Municipal operation of the electric light and water plant at Hillsboro began in 1899 and covered a period of ten years.

The editor of the Hillsboro *Independent* writes:

"All facts tend to indicate that failure was owing to lack of capable management such as would be given by a private corporation.

"The plant was operated for ten years under private ownership and paid a substantial return upon investment. At the end of that time the city exercised a purchase option and secured possession, bonds of \$24,000 being issued. At the end of ten years of municipal operation indebtedness of the water and light department, including these bonds, approximated \$50,000. The plant was then sold to a private corporation for \$15,000, and it appears that with the transfer the property once more became valuable and is paying handsomely. This may be judged from the fact that the present owners have practically rebuilt the electrical equipment, and at present are expending \$150,000 in installing a gravity water system.

"Conditions affecting the plant have changed during the twenty years under consideration to the extent that the population has about doubled.

"Hillsboro, being a small place, its municipal officers during the period of city ownership served without salary, and there was a change of administration yearly. Operation of the plant was practically in charge of salaried superintendents, some of whom were capable and others not; but the appointing officers, not being practical men, were usually unable to judge, and I am informed that, as is usually the case, favoritism and politics figured to a large extent in appointments.

"It also appears that while published rates were none too large to meet expenses, at different times the council yielded to representations of citizens that, with city operation, taxpayers should have cheap light and water and further reduced rates; the worst feature being the fixing of a flat rate for residences, which resulted in great extravagance in use of both light and water, and consequent necessity for additions to the plant.

"This policy continued until it was found that the city had outgrown the capacity of the plant, which was practically worn out and useless. No sinking fund from which to replace machinery had been maintained during municipal ownership, and during periods when it had been run without a deficit, receipts merely equaled operating expenses. In addition the bonded indebtedness had reached its legal limit, and nothing remained but to sell at the best possible price. This was done, as above stated, and the city now has continuous electrical service equal to any of the large cities, and, upon the completion of the water system now building, will have an abundance of pure water. And this is being done at a profit.

"We believe this record justifies the conclusion that responsibility rests entirely upon lack of proper management; for all that private capital is now doing could have been done by the city itself.

"However, taking conditions as they are usually found in these small cities, the result is only what might be expected. The official serving without pay often begrudges the time given to city affairs, and when, as in the case of electrical equipment, he is ignorant of practical details, he seldom interferes. The superintendent of a small plant is often not fully capable, and being utterly without competent supervision, extravagance in operation results. Add to that a shortsighted policy of conceding rates below what is necessary for working expenses and maintenance, and an end such as came to Hillsboro is inevitable."

HONEY GROVE, TEX.—Ernest Bradford Smith, in the August, 1907, issue of *Government*, states that Honey Grove abandoned its municipal

electric light plant prior to 1903. No information can be obtained from the city officials. The town is now lighted by a private company.

HUDSON, WIS.—An electric light plant was installed in 1888, but according to the mayor has never been operated by the city, having been leased successively to various parties. The city also contracts for the pumping in the waterworks which it owns.

A citizen writes as follows:

"The city did not lose to any great extent by operating its own plant, as the city soon figured out that they could contract for its street lighting and pumping much cheaper and get better service. The sentiment here is not in favor of municipal ownership."

HUNTINGDON, TENN.—The electric light plant installed in 1899, at a cost of \$25,000, was leased about six years later.

HUNTSVILLE, MO.—About three years ago the city decided to try municipal ownership and forced the Huntsville Light and Power Company to sell its plant to the municipality. In these three years Huntsville has learned its lesson. On July 1, 1913, the plant was turned over to a private owner.

ITASKA, TEX.—The following letter from a former mayor of Itaska is quoted from Francisco's "Business of Municipalities and Private Corporations Compared."

"Our city bored an artesian well and was fortunate in securing a flow of water of very fine quality and in a quantity about 200 gallons per minute. In connection with this it was decided to build an electric plant. I investigated the cost and probable income of an electric plant and found it a doubtful proposition and recommended that we avoid it, but the aldermen believed it would pay in connection with the water works and the work was begun.

"The pump was installed first and was operated about one month before the electric plant was ready, hence we know how much it cost to operate the pump. When the electric machinery was put in operation our losses began. We operated it a little more than four months and found that it was taking all our income from both the waterworks and electric plant to pay running expenses of the plant. We did not want to shut down as we knew it would be a dead loss, but we were forced to do something, hence we hit upon the idea of selling the electric part of the plant. It was turned over to me to sell without any reservations as to what I should get. I sold the electric part, but not any part of the waterworks. We lost money in trying to operate the plant and did not get all our money back in the sale. We operated the plant three days less than six months and lost about \$100 per month.

"If you stop to think about it, a city cannot work, but must hire all her help. The hired man does not have the coal bill to pay nor does he care whether houses are wired or not. He is not much interested in the receipts and does not hustle business, hence the expenses run up while the receipts are neglected. Public money

does not hold out like private money. I know it ought to, but I am now serving in my eleventh year as mayor and I know whereof I speak.

"When we come to figure these things it is not safe to figure on what ought to be done, but we should face facts and recognize the facts as they really are and not as they should be but are not.

"An electric plant has to have close personal attention and the man who superintends it ought to have a very serious interest in the expense account and in the receipts and this interest should be such as would affect his own pocket.

"You ask if I would advise middle size cities to build electric plants. Now in answer to this particular question I must say I would not."

IUKA, MISS.—An electric light plant was installed in 1900 at a cost of \$7,000. In December, 1906, it was leased because of the "difficulty in keeping a competent electrician."

A letter from the mayor contains the following information:

"The town still owns its plant, but has leased it to a private party for five years. It has been an expense to the town, has not paid anything, and is not likely to do so."

JEWETT CITY,* CONN.—The municipal electric lighting plant, installed in Jewett City in 1902, was operated until 1910, when the generating plant was shut down and a contract for current was made with a private company.

The story is told in an editorial in the *Jewett City Press*:

"No boroughite who is cognizant of the facts would wish to see repeated the experience of the days when Jewett City was the proud and unhappy owner and operator of an electric light plant. To some extent the lighting of the borough is still borough business; but it is borough business without the exclamatory blue streaks which used to disfigure it. In the days of municipal ownership 'we looked for light, but behold darkness;' and for profit, but behold losses.

"The conditions here were unfavorable from start to finish. The machinery never sufficed for the load it was made to carry; part of the time it was unspeakably inadequate; so that there was nothing in it to encourage efficient service. The operator who undertook to make good was at his wit's end all the time. The machinery might break down at any moment. To everybody concerned the lighting of the borough was nerve-racking business, when the borough generated its own electricity—all due to unsatisfactory machinery.

"Not only did the borough have inadequate machinery to work with from the start, it was hampered by limitations which beset most medium-sized communities whose capital is not above the average. It had to economize, and few know how to economize wisely and profitably. Economy is a study which it takes most of us years to master. We save at the bung and waste at the spigot.

"So much for Jewett City's experience with running a municipal machine shop."

Underestimate of equipment in order to attract voters by the low prices promised is only too common, and is assisted by a certain class of electrical engineers and supply houses, who deceive their customers in order to make sales. But in the end the taxpayers pay heavily for such inadequate installations.

JOLIET, ILL.—This city was one of the first to engage in municipal lighting. A gas plant was installed in 1857, bonds to the amount of \$30,000 being issued. It proved a financial failure, and after 18 months the city was glad to turn the plant over to a company, which agreed to assume the bonds in exchange for a 25-year franchise.

JONESBORO, IND.—Of the electric plant, installed in 1902 at a cost of \$32,000, the mayor wrote in 1906:

“The entire plant has been turned over to parties that had the bonds.”

KANSAS, ILL.—The mayor attributes the failure of the municipal electric light plant, recently sold, to the annual change of board members and employees. To use his own words: “The sentiment was to sell, and I sold.” The Mattoon Heat, Light & Power Company is now operating the plant to the general satisfaction of the community.

KASOTA,* MINN.—The town of Kasota, which was formerly supplied with electricity by the municipal electric plant at St. Peter, is now served by the Consumers' Power Co. Owing to the crippled condition of the municipal plant and also to the small boiler capacity, the Consumers' Power Co. will continue to serve Kasota indefinitely.—*Electrical World*, Jan. 18, 1913.

KENT, WASH.—The electric plant was purchased from a private company in 1892 for \$4,250, and was sold in 1902 for \$2,550. The mayor assigns as the reason for selling: “Could not make it pay.”

KINMUNDY, ILL.—To the great relief of the citizens the municipal lighting plant was leased to Mr. J. C. Lee about 1910.

The mayor writes as follows:

“Our experience in municipal ownership of an electric light plant was rather against such ownership. It has cost the town considerable losses in the past years. The main trouble was that every spring a new election of aldermen changed the electric light committee, where men were constantly being placed who had not the slightest knowledge of the business. Of course it had to run haphazard, and at a constant loss.”

LA GRANGE, ILL.—The president of the village wrote in 1908 as follows:

“The water and light plant in this village was erected by a private corporation under a thirty year franchise. At the end of the first ten year period the village exercised the privilege which it had under the franchise, and bought the entire plant. The original cost is not known; we paid (or agreed to pay) the sum of \$160,000 for it. Municipal control and ownership was not successful, and after a

few years it was sold to a branch of the Edison Company, the consideration being that the purchaser assume all obligations standing against the plant and put it in good order. Nothing had been paid on the principal by the village.

"The cost to the village for incandescent street lights under the original franchise was ten dollars a year; under municipal administration no one can tell, as the plant ran down so greatly that the new purchaser has paid over \$168,000 so far to put it in good order and is not through yet. Contract price at present again ten dollars a year.

"Reasons for selling—the village could not raise the money necessary to rehabilitate the plant. Under our law we could not pledge the corporate credit, but only the plant itself; the prospect that the village could manage it successfully was not attractive to capital."

The village purchased the plant about 1901, and sold it in 1905. As it was said that it would cost \$50,000 to \$60,000 to put the plant in good order, and as no provision for this had been made by a depreciation account, the trustees voted 5 to 1 to sell. In advising this action the superintendent of the plant wrote to the board of trustees:

"Respecting the rates for light, both for public use (street lighting purposes and other municipal purposes) and for domestic consumption, I beg to say that the rates, as set forth in the proposed ordinance and agreement, are the same in price which we have now, but under which provisions both the village and the consumers will derive more current and service for the same money as heretofore paid. I recommend the passage of this ordinance and the signing of the contracts and the adoption of said rates. The present condition of the plant is such that I cannot conceive how it can be operated longer by the village without the expenditure of large sums of money, and the incurring of many obligations."

LAKE MILLS,* WIS.—Early in 1913 the city council entered into a contract with The Milwaukee Electric Railway and Light Company to furnish electricity to operate the municipal electric light plant and water works system for a period of three years. Bonds to the amount of \$35,000 are still outstanding.

According to the *Lake Mills Leader*, this arrangement is expected to result in a saving to the taxpayers of from \$1,000 to \$2,000 per year.

LAKEVIEW, ORE.—The municipal electric light plant was sold several years ago to a private company.

"They were running their small plant at about \$200 a month loss," says a reliable correspondent.

LAKEWOOD, OHIO—An electric plant was installed in 1897 at a cost of \$25,000, gradually increased to about \$60,000. The authorities charged the city \$55 a year for the street arcs. This seemed reasonable, but after looking at their tax bills some of the citizens came to the conclusion that this sum did not represent all the cost, and called in a firm of expert ac-

countants, who ascertained that the actual annual cost per arc had been \$129.56 for the seven years the plant had been in operation, although the lights had been run on moonlight schedule. The citizens twice defeated a bond issue of \$25,000 to improve the plant and finally voted to sell the plant, which was disposed of early in 1907 to a company which contracted to light the streets all night for less than half the amount the municipal lights cost on moonlight schedule. The *Cleveland Leader* said that this sale was responsible for the reduction of the tax rate from \$3.59 in 1906 to \$3.18 in 1907.

LANGDON, N. D.—A well-informed citizen writes:

“The city bought the electric light plant in 1902 for \$7,500, and added about \$10,000 in improvements. Four and a half years later the plant was sold for \$9,000, involving a capital loss of \$8,500. In addition to this there was an operating loss of \$2,000 a year, making a total loss for four and a half years of \$17,500.

“It is not known just what the conditions were, but the above statement is the closest I can get, as the accounts of the lighting business were mixed with the rest of the city accounts, and the recorder never made a statement showing the condition of the plant.

“Whilst the plant cost the city over \$17,000, it cost it very much more in factional fights, as when the plant was sold there was nothing too mean for one side to say and do against the other, and whatever any one wanted—whether it were right or wrong—he had to fight somebody if it was of a public nature, as there was no harmony.”

The present owners have rebuilt the plant and it is now said to be prospering.

LAWRENCEVILLE,* GA.—In 1903 a municipal electric plant was installed at a cost of \$8,000. In 1913 the city made a contract with a private company to supply current. The *Electrical World* states that the estimated saving will be about \$1,400 a year.

LAURENS,* S. C.—The electric plant was installed in 1897 at a cost of \$30,000. The generating plant was shut down in 1908, and a contract for current was made with a private company.

LAWSON, MO.—A municipal electric plant was installed in 1898 at a cost of \$4,000. In 1908 the city clerk wrote that there was no longer a plant there; he did not state what had become of it.

LEBANON,* TENN.—Prior to 1902 this city changed from private to municipal ownership. In 1906 it reversed the process by shutting down its generating plant and contracting for current. The system cost \$15,000, most of which will now have to be written off the books.

LEHIGH, OKLA.—The municipal electric light plant was installed in 1909. On April 25th, 1913, the citizens voted on the question of selling the plant to a private company. "The proposition carried with a whoop," according to the *Lehigh Leader*. The vote was 119 in favor of the sale and 19 against it. The mayor writes:

"We bonded the city about five years ago for \$12,500 to establish an electric light plant. I was elected on the council three years later, when there was much dissatisfaction among the citizens in regard to the city finances. I made it my special business to audit the different departments, and found that the electric light plant, from the time of its installation, had cost the city \$3.00 a month more for labor alone than the entire income of the plant, with no allowance for fuel, wear and tear, etc.

"In checking up the total I found that the city was making a levy of from \$1,800 to \$2,200 per year to run the plant. The first year I was on the council we had to close the plant down for six months on account of finances, even though we had cut the labor down to the very lowest margin.

"About six months ago we turned the plant over to private parties for them to run at their own expense—all earnings to go to them, and they in return to furnish street lighting to the city. The contract was not lived up to, so the city council decided to sell to Chicago parties and instructed the mayor to call an election for the voters to decide whether they desired to sell with a twenty-one year franchise to the company. The sale of the plant was advertised in a local paper for five issues. The final vote showed that the citizens desired to sell seven to one, and I think the deal will be closed within the next thirty days.

"I conclude from the experience here that it would be almost impossible to run a municipal light and water system without a loss. Small cities do not pay their councilmen or mayor any salary, and the men vitally interested have other business to attend to and do not care to mix in small city politics. Hence, councilmen are elected to office who have not made a success of their own business and are not competent to run the affairs of the city. It is hard to make a success out of a business that is everybody's business, and it is practically impossible to get efficient men to run any municipal undertaking.

"From this letter you will see that my opinion is that municipal ownership in a small city is a failure. I understand that eight out of every ten cities of our size in this section are run at a loss about like ours, and I believe we have made a wise move in selling."

LEHIGHTON, PA.—The chief burgess wrote as follows in 1908 regarding the electric light plant formerly operated by this borough:

"The plant was transferred to Mr. J. I. Blakelee May 17, 1900, for a period of 25 years for \$23,600, this being the bonded indebtedness at the time of lease, he to pay \$1,000 per year on the debt and the interest on the bonds. The reason for leasing the plant was that the borough could not run it at a profit. The year before the transfer the borough went in the hole \$2,500, without paying anything on the principal. The real cause of the failure was too much politics."

LEMOORE, CAL.—In 1902 this town installed an electric light plant and waterworks at a cost of \$24,000. The business was unprofitable, notwithstanding the fact that 15 cents per kwt. was charged for light or

power giving only night service. When a private company took over the plant in 1908 at a fraction of its cost, it immediately reduced the rates 35 per cent.

The Lemoore *Republican* comments editorially on the change:

"At last Lemoore is to have electric power that will give the people service for their money. Municipal ownership has proved a failure in Lemoore as it has in all small towns. The people demanded a better service than they were receiving, and business developments demanded day power which the municipal plant was unable to furnish, consequently our city fathers have acted wisely in selling the plant out to a corporation that can guarantee the patrons that if no service is given no pay will be demanded."

LEON, IOWA—The mayor wrote in 1908 in regard to the electric plant:

"Original cost \$10,000†; sold for \$5,000. Sold because the city was getting in debt worse every year on account of plant. At one time the city had to issue bonds in the sum of \$5,000 to pay outstanding warrants. This was four years ago. Two years ago when the city sold the plant there were about \$3,000 outstanding warrants. Cost of light about the same now as when the plant was owned by the city, but service much better."

The plant is said to be thriving under its present management.

LE ROY, N. Y.—In 1899 the citizens voted to purchase the electric light plant. After operating it a few months the city took advantage of a technicality and turned it over to the former owners without having made any payment to them. It is stated that while run by the city the operating expenses alone exceeded by 60 per cent the entire cost of lights under private management.

LEWISBURG, TENN.—The electric plant, installed in 1903 at a cost of \$6,000, was sold in 1908 for \$3,500. The plant was not large enough to take care of the increased business, and the city could not enlarge it because it had reached the limit of its bonded indebtedness.

LEXINGTON,* N. C.—The mayor writes that about 1910 this town sold its generating equipment, and has since purchased current from a private plant.

LISBON, OHIO—The municipal lighting plant has been sold to W. S. Tasker, according to the *Electrical World* for March 23, 1912. The editor of the Lisbon *Herald* states that the municipality sold the plant because "it was badly in need of repairs and the citizens wished to secure continuous service."

†Another authority states that \$13,000 had been spent on construction and equipment before the plant was sold.

LOCKPORT, ILL.—The village electric plant, installed at a cost of \$20,000, was leased in 1907 to the Sanitary Department of Chicago for a nominal consideration, as the plant was a failure. Just prior to the lease the superintendent wrote:

"We are running about \$300 to \$350 in debt every month, due to political handling. Too many political friends and too low rates, etc."

LOWELL, IND.—In 1901 this town purchased for \$6,500 the electric light plant which had been installed two years before. In 1907 the plant was sold for \$2,730, the difference between this and the purchase price representing a depreciation of ten per cent a year. The purchaser installed a new plant as the old one was worth only about \$1,500 as junk. The reasons assigned for the sale are that the plant was being run at a loss and was in very bad condition, while the town was so heavily bonded that it could not install a new plant. A 25-year franchise went with the plant.

LYONS, IOWA.—The electric light plant installed in 1889 at a cost of \$13,000, was sold for \$5,000 in 1902, when Lyons was annexed to Clinton, because better and cheaper service could be obtained from a company.

MCADOO, PA.—The electric plant, installed in 1899 at a cost of \$10,000, was leased in January, 1908, for 25 years. In the agreement the situation was set forth by the council as follows:

"The borough is now owner of a certain municipal electric light plant in the said borough, and in the operation thereof has encountered certain losses to such an extent that the cost of operation and maintenance together with the interest on the bonded indebtedness incurred by reason of the erection of the said municipal plant, exceeds the income derived therefrom."

The amount of revenue collected during 1907 is said to have been about \$1,000 less than the operating expenses.

MADISON, IND.—This city installed an electric light plant in 1896 at a cost of \$13,000, not including steam plant. Two years later the plant was sold for \$6,000. The operating expenses alone amounted to about \$45 a lamp, which implies a total cost per lamp of approximately \$100 a year. The purchasers agreed to supply lights at \$80 a year, and to install and operate an electric railway.

MADISONVILLE, OHIO.—The municipal electric lighting plant, installed in 1895, at a cost of \$86,000, was shut down in March, 1912, because of the annexation of Madisonville to Cincinnati.

MADOC,* ONT.—The municipal electric lighting plant at Madoc, which began operation in 1905, shut down its generating plant at the end of five years, and is now purchasing current from the Seymour Power Company. The village clerk writes:

"We could secure the electric power so much cheaper that we made the change. We now have a twenty-four hour service for the same price—or a little less than what a seven hour service cost."

MANSFIELD, LA.—The municipal electric plant was sold in 1908. The *Municipal Journal and Engineer* states that it cost about \$8,000 and was sold for \$6,150; also that the sale was made because the city had gone "dry" and could no longer use the income from licenses to make payments on the plant as they came due.

MARCUS, IOWA—The municipal gas plant was seriously damaged by fire in 1908, a short time before the bonds were due. It had not proved a paying investment, but something had to be done, so it was repaired and leased for five years.

MARENGO, ILL.—The city electric light plant was leased early in 1908 for twenty years. The service is said to have been both inadequate and unprofitable. When the city gave up the undertaking the mayor wrote:

"Our reason for doing this is that we consider municipal management a complete failure and the less there is of it the better for all parties concerned."

"The old municipal plant has been 'junked' and the private company has installed new and modern equipment."

MARION,* IND.—As a majority of the citizens of Marion had become weary of the results of municipal operation of the lighting plant, it was decided, in 1910, to buy current from a private company.

The city still owns and maintains its distributing system, and makes all extensions at its own expense.

It is estimated that with the purchased current the city is saving \$20 per year on each of its three hundred arc lamps. This saving seems to cause general satisfaction to the citizens, although the municipal ownership followers were very active in opposing the change.

MARSHALLTOWN, IOWA—In answer to an inquiry regarding the municipal electric light plant the editor of the *Marshalltown Times-Republican* writes under date of December 10, 1912, as follows:

"The Iowa Railway and Light Company has recently been voted a franchise in this city to furnish electricity, gas and street power railway service. The vote of our citizens was overwhelming."

The plant was installed at a cost of \$26,000.

MENDON, MICH.—The town of Mendon, after eight years of experience with municipal electric lighting, gave a thirty-year franchise to a private company in 1912. The whole property has been sold for \$11,000.

The editor of the *Mendon Leader* wrote shortly before the sale:

"Every spring a new council goes in, and just as they are ready to accomplish something they are retired and others fill their places, as it usually takes a year for a village board to get a good grasp upon affairs. Just to illustrate—it is said that one man, a barber, ordered his house wired. It was done, but time passed and he was never presented with a bill. A year passed and finally the village began to collect 50 cents a month, but never collected for the year. And thus the story runs. The minimum rate until last November, was 50 cents per month and if the householder or merchant did not feel like paying, he kept his money in his pocket—and his lights went on just the same. People openly and boldly stole from the village. Even now some stores, open every night, and well lighted, are paying 75 cents per month.

"To sum it all up, the cause in our case for failure is *mismanagement* pure and simple—simply a succession of mistakes and oversights. Not that any one person is at fault particularly.

"The village has a bonded indebtedness of about \$9,000, and besides owes for money borrowed for running expenses somewhere near \$4,000. We originally bonded for \$10,000 and purchased a water power 6 miles west; then, instead of letting the contract for placing water wheels, etc., the council undertook to complete the work by hiring day labor. When the \$10,000 was nearly spent, they asked the people for more money; but instead of giving it to them, the people demanded to know what they were going to get when the project was completed. Two experienced engineers came, looked the stream over, and reported from 25 to 150 H. P. with only 25 to 35 H. P. during low water. Then the people bolted and refused another penny. Work was stopped and nothing further has been done with the water power, except for the taxpayers to dig up the money to pay off the bonds—one or two for \$1,000, with interest, having already been paid. A private company then came forward and offered to pay the village a little more than \$11,000 for the entire holdings, and a 30-year franchise for commercial and street lighting, the latter at \$1,000 per year. The company is now soliciting stock subscriptions, the people having already voted to sell, and as soon as they get the money the entire property will be turned over."

MENTONE, IND.—According to the mayor the electric plant was purchased in 1899 from a private company for \$2,000, and was sold in 1903 for \$600 because it was a "losing proposition."

MICHIGAN, CITY, IND.—Said to have cost \$10,000 and been sold for \$2,500 after they found that lights were costing a third more than they could get them for by contract.

The editor of the local paper gives the following reasons for the failure of municipal operation:

"Local political graft; incompetence of officials; incompetence of employes, chosen for political strength, political reward and political graft."

MIDWAY, KY.—After being in operation less than two years the municipal electric plant was sold in 1913 to a private company. The editor of the *Midway Clipper* writes that the sale was a matter of expediency, as the plant was too small and the private company offered to light the town at a figure somewhat less than it was costing under municipal ownership.

MILFORD CENTER, OHIO—The electric light and water works, bonded for \$12,000, were sold at auction in 1907 for \$5,335. The president of the village writes:

"The reason for the sale of the municipal light and water plant is the failure of municipal ownership to operate the plant as economically as private interests could."

J. L. Boylan, of the board of trustees of public affairs, writes more fully:

"On account of a fast increasing deficiency it is deemed best to dispose of the plant. We have had twelve years of municipal ownership, and have been fortunate in getting good business men at the head; yet the plant has never been on a self-supporting basis, and is now in need of a great amount of repair without any better outlook for sufficient income to warrant expense. We therefore wish to get rid of a 'white elephant.'"

Fire and Water Engineering said that the plants had "been running behind at the rate of \$1,200 a year, owing to inexperienced men being in charge."

Further enquiry has produced the following letter from another citizen of Milford:

"In the year 1907 I was one of a committee of five that went over the books of this municipal plant, and if I know anything about business, I will say that the plant was grossly mismanaged. The plant was allowed to run down until it was impossible to give but the poorest service. When I came here in 1906 I offered to pay \$15 per year flat rate, for lighting my residence. This offer was refused, and I was informed that unless I installed a meter and paid their regular rate of 8 cents that I could not have light. I did so and my light bill only amounted to from 25 to 45 cents per month, as they had no minimum rate. We found that a great many patrons were paying as low as four cents a month for light.

"The water rate was \$6.00 per year flat.

"The village dug a well at a cost of \$1,200, which was worth about \$375, and there was no itemized account to show where the money went to. We found no account of any money received from the sale of meters or supplies, although we might not have understood their method of bookkeeping.

"The people here seemed to think that because it was a municipal plant they should not pay anything for service. The result was failure. There was too much handicap in the matter of policy in operation for anyone, no matter how good a business man he might have been, to make a success of the plant."

MILLERS FALLS,* MASS.—After being in operation only four years the generating plant was closed down in 1907, and a contract for current

was made with a private company. The outstanding bonds amount to \$15,000. The last available report (1906), shows that, although the lamps were of only 1,500 candle-power and burned only 3.53 hours a night, they cost \$75.91 a year. As only 3 per cent was allowed for depreciation and there was no allowance for lost taxes, etc., the real cost was of course much higher.

MISHAWAKA, IND.—The city installed an electric light and water plant in 1890 at a cost of \$60,000. It was forced to sell the plant, but rents and operates it, although since 1904 most of the current has been purchased. The mayor wrote in 1908:

“Our city water and electric light plant was transferred to the Mishawaka Public Utility Co. in 1903, and has since been operated by the city under lease from said Utility Co. This was done because means were desired to make other improvements, viz., erecting a city building, installing a paid fire department, etc., and the city being bonded to nearly the constitutional limit, no other method could be devised to accomplish this end. Being entirely inadequate and no means to enlarge, this was deemed the better way.”

MODESTO, CAL.—The mayor writes that the electric plant was purchased about 1899 for \$3,500. Another correspondent gives \$2,500 as the original purchase price, and assigns the following reasons for the shutting down of the city plant and leasing the distributing system:

“The city was able to buy power cheaper than it could generate it. Moreover new boilers were needed, the city had provided no renewal fund, and the people disliked the idea of bonding. The waterworks also were leased to private parties.”

MOHAWK,* N. Y.—In 1897 this village installed an electric light plant, issuing bonds for \$21,000 in payment therefor. By 1904 the authorities realized that it was costing too much, the generating plant was shut down, and a contract was made with a company to supply current, take full charge of maintaining the street lights, and pump the water for the village. This arrangement is said to be satisfactory. According to *Public Service* the net saving to the village was not less than \$3,800 the first year. The smallest annual deficit had previously been \$3,000.

The superintendent of the Mohawk municipal commission writes:

“Political mismanagement was the cause of the failure, and it was very expensive to the taxpayer.”

MOLINE, ILL.—The city clerk wrote in 1908 in regard to the electric light plant:

“Original cost, \$12,000. Terms, cash.

“The cost of operating the plant while owned by the city is very hard to determine, from the fact that the plant was at that time operated in connection with the

waterworks; the books show that appropriations were made for both plants under one item.

"The reason for disposing of the plant: the plant being what was then known as the old U. S. system, which company had gone out of business, hence repairs for our plant could not be obtained, and as the same was about worn out, the only thing, therefore, the council had to do was the construction of a new plant or to light the city under contract. The latter was adopted for the reason that the finances of the city at the time did not allow the construction of a new plant."

According to a local paper the amount invested in the plant at the time it was sold was \$25,910, and the selling price was \$7,900. The city went into the business because it was claimed that lights could be run for about two-thirds the price charged by a private company. Although 1,200-c.p. lamps were used, and those on moonlight schedule, the operating cost was found to be \$54.50. The addition of interest, depreciation, etc., would have brought this up to about \$100. The present contract price for 2,000-c.p. lamps burning all night is \$65.

MONTICELLO,* GA.—The municipal electric light and water company has begun the purchase of power from a private company.

MONTPELIER, IND.—An electrical engineer, who devoted some weeks to rehabilitating it, writes that the municipal electric light plant was a complete failure, and that it was turned over to the present owners for \$1.00 on condition that they would assume the outstanding bonds (\$38,000). The city got nothing for the funds contributed by the citizens to make repairs. Another authority states that for three months before the sale there had been no street lights available, and for part of that period no incandescent lights. The plant was installed in 1901 and sold in 1905.

MOORESVILLE,* N. C.—The superintendent wrote in 1908:

"The generating part of our electric light plant has been shut down and is for sale. We have contract for current with Southern Power Co. of Charlotte, N. C. Our reason for this action is that we reduce our operating expenses."

MUNCIE, IND.—The electric plant, installed in 1892 at a cost of \$36,000 was shut down in 1906, and the remains of the machinery were sold as scrap for a fraction of its cost. The immediate cause of the shutting down was the bursting of a fly-wheel. As no depreciation fund had been provided, nor any payments made on the bonds, the city was not in a position to rehabilitate the plant.

The last annual report of the superintendent showed that the plant had been steadily deteriorating ever since it was started, so that in eleven years the operating cost per lamp had nearly doubled, although the

increase in the number of arcs from 102 to 234 should normally have reduced the cost per lamp. After calling attention to the worn-out condition of various parts of the equipment, and the large fuel consumption resulting therefrom, the superintendent closed his report with a statement of unusual frankness:

"I am forced to the conclusion that if the city cannot find the money with which to improve its plant so as to give its citizens additional lights needed at a reasonable cost, it had better sell to private parties. I am satisfied that the council could make arrangements with some private corporation to obtain an unlimited amount of electric power for 3 or 3½ cents per thousand watts. If so, you could shut down your present plant (holding it in reserve) and operate your street lights at a saving of from three to five thousand dollars per annum over the present cost."

As reported in the Muncie *Evening Press* a member of the city council said:

"It is a matter of common knowledge that the city plant has been a 'white elephant.' It has been mismanaged at various times by various committees from council and it has never, or at least very seldom, been operated as a man would operate his private business. The machinery that has been in use there should have been relegated to the junk pile long ago. It is not economical and it does not work together to make a harmonious whole. We could long ago have been able to secure a private contract for street lighting that would have cost less money than to operate our own plant, and that would have given the city better service.

"One trouble has been that the committees from council that have had charge of the street lighting department in the past were, of course, persons who did not understand the business. They would go down to the station and look at the wheels go 'round and at the same time understand nothing about it. These committees, acting under advice, made frequent changes and repairs, some of which were necessary and some of which were not, but nearly all of which were expensive. About the time a council committee began to understand a little bit about the business, the terms of the members as councilmen expired and a 'green' committee would again take up the work of mismanagement."

MURRAY, KY.—In 1907 this city purchased the local electric plant, but evidently soon rued its bargain, as it sold again within a year.

NAPANEE, ONT.—About 1907 a municipal electric light plant was installed at a cost of \$35,000. In 1911 the town accepted a proposition from the Seymour Power and Electric Company to take over the municipal plant, they agreeing to furnish light to private consumers and for the streets at 20 per cent less than had been charged by the commissioners.

NASHVILLE, ARK.—By vote of the city council the municipal gas plant was closed down in January, 1908. Although the price of gas was \$3.00 a thousand, the expenses were nearly double the receipts. The mayor of Nashville made the following statement at the time of the failure:

"The reason of such action by the council is that it could not make it self-sustain-

ing; but the council has since leased it for two years to the former general manager, who thinks he can make it pay under private management."

The manager evidently knew that with a free hand he could steer clear of some of the snags that could not be avoided under city management.

The present mayor writes that the town lost "something like \$10,000 on the deal."

"The feeling of the people in regard to municipal ownership is against it, particularly in towns the size of ours—2,500—located in this part of the country."

NEEDHAM, MASS.—In 1893 the town installed a distributing plant at a cost of \$13,774, to which considerable additions have since been made. By vote of the town the plant was sold in February, 1908, for \$11,000 and a 20-year contract for street lighting was made with the company that for several years had been supplying the current. The town clerk sums up the reason for this action in one word, "economy."

NEPONSET, ILL.—In the spring of 1913 the city council accepted a \$3,000 bid from the Spring Valley Company for the purchase of the municipal electric lighting plant. The mayor writes:

"The plant is small and has been run by the village at a cost of approximately \$30 per month for three years."

NEW CARLISLE, IND.—The municipal electric plant at New Carlisle has been sold to private parties, after being in operation about three years. The town clerk writes very briefly that he cannot give any figures of the town's loss.

"Failure was because of an overloaded dynamo."

NEW RICHMOND,* WIS.—The generating plant, installed in 1892, was shut down five years later, when current was secured in exchange for a franchise.

NEW WESTMINSTER,* B. C.—This city installed an electric plant in 1900 at a cost of \$132,000. In 1905 the generating plant was closed down and a contract made for current. The generating plant has since been sold.

NEW YORK,* N. Y.—In 1905 New York installed, at a cost of \$122,348, a combined rubbish incinerator and electric light plant, the current developed being used to light the Williamsburg Bridge. The intention was to effect a saving over the cost of lighting the bridge by contract, and after the plant had been in operation six months Commissioner Woodbury estimated that the saving amounted to about 40 per cent.

It was therefore somewhat of a surprise when, in 1907, the lighting plant was shut down. The engineers in charge frankly admitted that the plant had been run at a loss, and although they are chary about giving figures, the best information obtainable is to the fact that the loss amounted to about \$25,000 a year, as compared with the cost by contract. In other words, it cost the city, with free fuel, about twice as much to light the bridge as a private company charges, although the company has to buy its fuel.

The commissioner of bridges, in an official communication dated February 29, 1908, says:

"The plant formerly used for lighting the Williamsburg bridge, at the foot of Delancey street, in the borough of Manhattan, was abandoned about a year ago, it having been demonstrated to be more economical to light the bridge through contracts with the electric lighting companies."

A well-informed citizen has supplied the following facts relating to this costly experiment:

"The awakening came when the city officials found that all of the electric current obtained through the operation of the electrical part of this plant could be purchased at the prevailing prices from the local supplying company at a cost slightly in excess of \$20,000 annually. Naturally, it did not take long to abandon permanently the electrical plant and utilize the commercial service, which had not only the advantage of relative cheapness, but of continuity, avoiding the frequent interruptions, incidental to the operation of the destructor plant, and of regularity of pressure, in contrast with the constant variation of the pressure which resulted from the operation of the incinerator. Again there was an unlimited service, which was not always available from the incinerator.

"Summarized, the losses incidental to the operation of this incinerator, as a commercial venture, appear somewhat as follows:

Total expenditure for equipment, operation and maintenance, for 18 months		\$149,313.32
Salvage—		
Two electrical units sold at public auction.	\$1,130	
One electrical unit utilized in another borough, estimated value	750	
Boilers now being utilized elsewhere by the city, net value estimated	1,000	2,880.00
		<hr/>
Net cost of investment and operation for 18 months.		\$146,433.32
Cost of corresponding service if purchased from a private corporation, for 18 months at the high estimate of \$25,000 annually.		37,500.00
		<hr/>
Net loss to the city on this venture for 18 months.		\$108,933.32

"It need not be pointed out that in addition the city lost the taxes on this increased income which the private corporation would have paid; no realty taxes were included in the cost of operation because the plant was built on city property; the cost of the water consumed by the boilers was not included. Nor, as is quite customary in municipal operations of this character was the cost of a large amount of labor fur-

nished by other departments included in the recorded maintenance and upkeep expenditures of the electrical part of the destructor plant."

One of the worst features of this plant was its adoption of the padrone system, the labor required for feeding and stoking having been furnished by an Italian "contractor," who seems to have made a very good thing out of it.

The city paid him 25 cents an hour per man, and as the men worked 12 hours a night, this amounted to \$3.00 a night per man. Yet it is asserted that the men received on an average only \$1.00 a night. It is apparent, therefore, that the city paid three times what the labor was worth or that the men received for their labor only one-third of what they earned.

NORTHFIELD,* VT.—The electric plant was installed in 1896 and burned down in 1904. In his "Business of Municipalities and Private Corporations Compared," M. J. Francisco gives the following account of this plant:

"They had a small water power and were informed that it would furnish power for all the lights and motors that could be used in the village. Soon after the plant was installed they discovered that the water wheels would not answer and new ones costing \$4,400 had to be provided; the dam failed and a new one must be built at an expense of \$4,297.52. Then the water partially failed so that there was not enough to carry the load and a steam plant had to be installed, making a total outlay of \$50,000. As a climax the plant burned up and the loss was \$10,000 more than the insurance. They called a meeting of the taxpayers and voted not to rebuild, but to make a contract with a private company to furnish the lights and run motors for \$4,500 per year, the village owning the lines and lamps. The operating expenses alone were over \$7,000 per year while the municipality operated the plant, and all this outlay and loss has accrued within nine years."

PELHAM, GA.—This water, light and electric plant, which was originally installed at a cost of \$65,000, has been leased for several years.

PETERBORO, N. H.—The municipal electric lighting plant, installed in 1902 at a cost of \$18,000, has been sold to a private company. One of the selectmen writes under date of July 3, 1913, as follows:

"The town's charter permitted them to run only until 12 o'clock at night from dark. The people wanted 24-hour service of any and all kinds, and they had a chance to sell and get a good price and did it.

"As a rule we are having good service and at less cost than when the town owned it, and most of the people are satisfied.

PHILADELPHIA, PA.—For five years after they were started, in 1836, the gas works of Philadelphia were owned by private citizens, but were operated by a board of trustees appointed by the city councils. In 1841 the city bought out the owners, but the board of trustees was continued

until 1887, when the management was transferred to the department of public works. During the latter part of the trusteeship the jobbery, waste and mismanagement was a public scandal, and Professor Bryce states that the "gas ring" controlled 20,000 votes and used them to prolong its reign.

Even after its transfer to the department of public works the plant was regarded primarily as a political asset, and was allowed to run down until in 1897 Thomas M. Thompson, director of the department, testified before a committee of councils:

"Our mains and services are a disgrace to the city. We have not the facilities for taking the gas from the plants and giving our citizens the gas which they have a right to expect and demand."

Mr. Thompson added that on account of inadequate mains certain sections got "very poor gas or none at all," and submitted figures to show that from five to six millions of dollars were imperatively needed to make the service adequate.

The spirit that produced this condition is well illustrated by the reply of one of the directors of public works to a councilman, who said to him at the time when the works passed under the control of the department:

"To run a gas works you need a competent engineer. I stand ready to bring into councils an ordinance to pay the needed salary for that needed engineer. I am willing to make it \$12,000 or \$15,000 or \$20,000 a year for a competent man, because to run the gas works of this city requires a capable man and he has to be paid for his services."

The story goes that the reply that the councilman received from that official was:

"I cannot permit anyone who serves under me to get a bigger salary than I get."

The attitude of the department towards consumers was both parsimonious and tyrannical. They were obliged to pay for service connections in excess of 16 feet; they were charged for meter cocks; they were obliged to employ a plumber to connect the meter with the inside piping; they were held liable for damage to the meter by fire or other causes; and to cap the climax a new tenant or owner had to pay the unpaid bills of his predecessor before the gas would be turned on. Yet in spite of these schemes to increase the nominal price of gas the average annual loss during the last four years of municipal operation was \$239,654—with no adequate allowance for maintenance, much less depreciation.

When, in 1897, a proposition was made to lease the plant to a company the *Philadelphia Ledger* advocated the change in an editorial from which the following extract is taken:

"The city by leasing the works would get rid of the most corrupting force in municipal politics—a force which has cost the city untold millions in indirect ways. The works have been run down and mismanaged to such an extent that it seems to be impossible for the city to redeem them, especially if they should be left in the control of the men whom it has thus far been impossible to dislodge, and who run the works

as a great political machine, not as a manufacturing plant. To get rid of this venal and corrupt political machine would be to take a long step toward good municipal government, as it would be to destroy the strongest and most dangerous of all the political jobbers' strongholds. The city has to choose between running its gas works at a loss, the while furnishing a bad quality of gas, or making a lease which shall provide it with an annual revenue from the sale of good up-to-standard gas."

In December of that year the plant was taken over on lease by the United Gas Improvement Company. All the vexatious regulations mentioned above were promptly done away with, the candle-power of the gas was increased from 19.17 to an average of 22.95 (although the contract only prescribed 22), and steps were immediately taken to put the plant in first-class condition, more than twelve millions having been expended on betterments during the first nine years of private operation. At the same time the wages of employes were increased and their hours of work reduced from twelve to eight.

During the years immediately preceding the lease the average annual loss on the plant is estimated at from \$240,000 to \$400,000. Although the price of gas remained the same after the lease, during the first nine years of private operation the average annual income to the city was in the neighborhood of \$2,500,000, a difference of at least \$2,750,000 in favor of private management.

In 1904, Chas. F. Warwick, who, as mayor of Philadelphia, signed the lease, thus expressed himself in regard to it:

"Municipal control of the gas works subjects them always to political influence, and to these influences may be attributed the failure to improve the works and to furnish a good quality of gas. The Philadelphia gas works were under the control of a trusteeship, which, in time, became a great political power. Upon the abolition of the trust, the city undertook to manage the business, but without much success. Every year councils were appealed to for appropriations for necessary and permanent improvements. There never was enough profit from the operation of the works to make the needed change, and consequently the plant deteriorated and failed to meet the requirements because it was impossible to conduct it upon strictly business principles.

"Until municipalities are removed absolutely from political control, and until they are looked upon as business corporations, conducted upon purely business principles, irrespective of political patronage, I believe that private management of municipal works is to the advantage of the community."

About the same time John Weaver, who was then mayor, gave the following opinion in a signed interview:

"We have now in Philadelphia excellent gas service which we could not have hoped to get under the old system of trusteeship of the gas works without an enormous outlay of money, which, of course, the tax-payers could not afford. What Philadelphia suffered under the old system would not be tolerated by an American community today. The management of the gas works was for many years a serious trouble for the city and was the cause of considerable political strife and feeling. The lease of the works to a private

corporation was a happy outcome of the distressing condition, and I am convinced that if a careful canvass was made of our tax-payers you would not find a handful who would be willing to go back to the old order of things."

Under the terms of the lease the city reserved to itself the right to terminate the lease at the expiration of ten years by giving six months' notice of its intention to do so. As the time when this notice must be given approached, a committee of councils was appointed to investigate the subject. This committee, after a series of public hearings, during which full opportunity was given for argument in opposition to a continuance of the lease, reported adversely to a discontinuance, the report being sustained by votes of 54 to 22 in the common council and 33 to 8 in the select council. This means that Philadelphia, having tried municipal operation for 60 years and private operation for 10 years, is firmly convinced that the results of the latter are in all respects more satisfactory than could be expected from the former.

PITTSFIELD, ILL.—Five years ago the mayor gave the following reason for the sale of the electric plant:

"Cheaper to pay the Pittsfield Electric Co. than to do it ourselves. We ran it ourselves for several years, and have had it run by contract at least five years, saving money by contracting it to outsiders."

PONTOTOC, MISS.—In 1905 the town purchased the local electric plant for \$8,000. Two years later it sold it for \$5,000, because, as the mayor wrote, it "didn't pay expenses." Another citizen writes that the sale was due to "dissatisfaction with municipal management."

POPLARVILLE, MISS.—The citizens voted, in 1912, to lease the electric light and water plant for one year, with a five-year option. Under the terms of the contract the lessee is to pay the town \$2,000 per year, and to furnish street-lamps free of charge.

This plant has been unprofitably operated under municipal control ever since its installation some five or six years ago.

PORT ANGELIS,* WASH.—The city clerk writes under date of October 2, 1912:

"We have recently contracted with the Olympia Power Company to supply current for our municipal lighting system."

This plant represents an investment of \$40,000.

PORTSMOUTH, OHIO—This city was among the first to install its own electric light plant, which it operated until a street railway system was installed. At that time a contract was made with the street railway company by the terms of which it took charge of the lighting plant and

furnished light to the city for a specified sum. This contract continued in force until about three years ago, when the practically worn-out and out-of-date equipment was sold to the street railway company because the city was unwilling to expend the money necessary properly to reëquip the plant.

PRINCEVILLE, ILL.—The mayor writes under date of August 1, 1912:

"Our lighting plant was installed eight years ago at a cost of \$5,000. We had a 30 h. p. gasoline engine, and paid \$50 a month for a man to run it. The engine was out of business about two-thirds of the time, and we were at constant expense for repairs.

"About a year ago we sold the plant to E. L. Brown of Elmwood for \$3,000. Our reason for making the change was because we found that we could buy our lighting for less money and get continuous service."

PULASKI, VA.—The municipal electric lighting plant was sold on April 1, 1911, to a private company. The mayor says:

"The plant cost originally \$12,500, and after 11 years' service was worth about half this sum with nothing saved to renew. Hence our loss was about \$6,000.

PULLMAN, WASH.—The electric distributing plant, installed at a cost of \$15,000, was sold in 1907 for \$6,000. This was authorized by the voters on the recommendation of the city council, which adopted a resolution giving the reason for its action as follows:

"The electric light plant owned by the city of Pullman has proven to be a burden to the taxpayers of the city, and the same cannot be operated by such city so as to repay the cost and expense of operation and interest on the capital invested therein and the necessary depreciation thereof, and the same is now and threatens to become a still greater and more burdensome charge on the taxpayers of this city."

In 1908 the city clerk wrote that a twenty-year contract had been made, which involved a large saving to the city.

RICHMOND, MICH.—At a special election held on September 16, 1912, the proposition to sell the municipal electric lighting plant to a private company was carried. This plant had been in operation since 1900.

Before considering the company's proposition, the council decided to employ Wreakes and Noyes, electrical engineers, of Detroit, to make a thorough investigation of the condition of the plant. The following extracts are quoted from the engineers' reports:

"In common with almost all municipal plants, the early records are more or less shrouded in mystery. In fact, the early accounts are simply a record of receipts and expenditures, and to complicate matters still further, the expenditures usually show only the name of the party to whom the individual order was drawn, with absolutely no indication of the purpose of the payment. Money spent for improvements, in-

creased capacity and betterments—charges against the capital account—have probably been paid and charged to expenses. Then it has been found impossible to accurately determine how much is invested in the present plant, and to separate the actual operating expenses. The customary station records are conspicuous by their absence. There is no station log, and no totalizing meters upon either water or electric end; therefore, no record of station output or hours of operation. For these reasons it was considered inadvisable to attempt an analysis of the earlier operations of the plant, as owing to the absence of even the simplest records, so much data would have to be estimated that the analysis would be of but little value.

"We consider that the plant as at present operated is not self-supporting, but is a source of direct expense to the village and is sustained by funds appropriated from the general taxes. This method of operation is an injustice to those taxpayers who do not use the plant's product, but must contribute to its support.

"Further, there is some \$16,000 of the taxpayers' money invested in the plant, the operation of which just pays expenses. The same \$16,000 properly invested would bring the village an unincumbered income of six or seven hundred dollars a year."

At the same time a similar offer from the private company was rejected by the neighboring town of New Baltimore. The *New Baltimore Era* laments the lost opportunity as follows:

"Richmond has accepted their proposition and the people there will enjoy twenty-four hour service at lower rates than before, and the tax rate will be reduced. New Baltimore refused to investigate, and our people are still in the dark after midnight, and the tax rate has not been reduced, and possibly has been increased."

ROCKVILLE, MD.—The electric light plant, installed in 1902, was destroyed by fire about 1904 and has not been rebuilt. According to the town clerk:

"The loss was total; no insurance; it was estimated at not less than \$10,000."

ROMEO, MICH.—The municipal electric plant was found to be operating at large financial loss. It has, therefore, been sold to the Eastern Michigan Edison Company. The plant was ably and cleanly managed, but the city authorities found it impossible to compete with private service. The abandonment of the plant under these conditions reflects a large measure of credit upon the administration, in thus eliminating this element of continuous waste.

ST. CHARLES,* MO.—The municipal lighting plant, installed at a cost of \$19,000, was discarded in the spring of 1913, when a contract was made with the American Light and Power Company to furnish electricity. The editor of the *Banner-News* writes:

"By handing over our lighting plant we secured the opportunity of being connected with the hydro-electric energy of the Keokuk dam, and thus we are better able to offer inducements to factories and develop our community commercially. Our commercial plant was never on the basis of municipal ownership, only our street lighting system, therefore we derived no income from it, and the expense of up-keep was borne directly by taxation. We were twenty years behind the time

in methods, and the private company showed us that they could put in a better lighting system than we had, at less expense. They also held out the advantages of being able to offer cheap power, and this appealed to our Commercial Club.

SANDWICH, ILL.—The municipal electric light plant, which began operation in 1892, has been purchased recently by a private company. The *Sandwich Free Press* contains the following comment on the sale:

"The council has had this matter under serious consideration and investigation for over 18 months, and the action taken was unanimous. The pole lines are, and have been for years, in very bad condition. The majority of the poles have outlived their time and are rotten and dangerous. The wiring, never good, is in very bad shape, and the current is transmitted at a great loss of energy and high cost for fuel.

"On the other hand the demand for service is constantly increasing. There is a general demand for a 24-hour service. A city of this size should have that convenience. There is need for electric current for power for our factories and many smaller institutions. This is the situation that has confronted the council for months. Fortunately the way out of the dilemma opens in the opportune appearance of the private company.

"All told, the council believes the change will result in better lighting and water service for the city at an annual saving of at least \$2,000, and at the same time the citizens will be provided with first-class light and power service, which at present is impossible. There will be the further benefit of relieving the city of the casualty liability, which is no small item, and in addition the council will be relieved of the burden of managing the plant and of the loss and dissatisfaction occasioned by changes in management from year to year."

SANTA CLARA,* CAL.—An electric light plant was installed in 1896 at a cost of \$15,000. The generating plant has been shut down as, according to the president of the board of trustees, it was found to be more economical to purchase the current.

SAVANNAH, MO.—The municipal electric light plant was installed in 1892 at a cost of \$12,000. The mayor writes as follows, under date of May 29th, 1913:

"Municipal operation of our lighting plant was discontinued something like two years ago, mainly because our old plant was getting to be pretty badly worn and the service unsatisfactory. At the time of discontinuing the local plant it was a heavy money loser, though when new and in perfect running order it paid its way. It was decided by popular vote to discontinue the local plant and have our current and power furnished from St. Joseph, about fourteen miles distant. So far this experiment has proved quite satisfactory. Our town no longer owns the plant."

SHAKOPEE,* MINN.—In September, 1912, the city of Shakopee closed a contract with a private company to furnish current for the municipal electric plant, which had been in operation since 1902. The city finds that it can buy current cheaper than it can make it.

SHELBY, MICH.—The village president writes that the municipal light-

ing plant installed in 1895 at a cost of \$6,000 has been closed down and that lighting is being furnished by outside power.

SHEPHARD,* MICH.—While a municipal electric lighting plant was installed about four years ago, Shephard is now being furnished with electricity by a private company. The village president writes:

“Our plant is closed down owing to no taxes being levied with which to defray a portion of the expense. Under ordinary conditions the installment which we have here would pay out, provided all currents of electricity consumed were accounted for and none given away.”

SHEPHERDSTOWN, W. VA.—When this plant was sold in October, 1907, a thirty-year franchise was given to the purchasers. In December, 1907, the mayor wrote as follows:

“The town electric plant was sold about two months ago. It was installed in 1901 at a cost of \$4,800, and sold for \$3,200. Reasons for selling were that no fund was accumulated for depreciation, and the town could not afford to pay for its proper superintendence, and almost every year there was a change of officials. The rates were too low; the change has resulted in a meter system. Flat rates are not a success. The old prices allowed for no depreciation, and repairs were urgently needed.”

SHERIDAN, IND.—The municipal electric plant, installed in 1898, was sold in 1911 to J. L. Vickery, the purchaser agreeing to assume the bonded indebtedness of \$9,500 and current interest. The total cost of the plant was about \$16,000. The town clerk writes:

“In our case municipal ownership was a failure. We started in with fifteen cents per month flat, for 16 C.P. No provision was made for street lighting, which made an extra expense.

“The plant was originally installed with steam power; later a gas producer engine was put in and that broke the camel’s back.”

SHICKSHINNY, PA.—The electric light plant installed in 1904, at a cost of \$10,500, was sold in 1911 to a private company. The editor of the local paper writes that the people became more and more dissatisfied with the poor service furnished by the municipality, due in a large measure to change of councilmen and the fact that in most cases “nobody was on the job.”

One of the chief arguments in favor of the sale was the fact that there was a large and pressing demand from the citizens for the establishment of a 24-hour service. The sale of the plant saved the municipality a large expenditure for the installation of a duplicate plant, one large enough to enable them to offer power in sufficient quantities to manufacturing concerns desiring to locate in the town.

SIoux FALLS,* S. D.—The city installed an electric light plant in 1901 at a cost of \$75,000. The city auditor wrote, in 1907:

“Generating plant shut down and contract for current let to private company about two years ago this fall. Reasons: bad management and politics made cost of running very high. Cost per light could never be figured out on account of bad book-keeping and failure to separate operation and construction.”

SIoux RAPIDS, IA.—After twelve years of unsuccessful municipal operation, the electric lighting plant at Sioux Rapids was sold to private owners in 1910. The town clerk writes:

“Help was high and did not give the best attention to the machinery, and the plant did not prove a paying proposition.”

SOMERSET, KY.—The municipal electric light plant, installed in 1903 at a cost of \$18,000, was sold to a private company after being in operation about two years.

SOUDERTON,* PA.—This borough closed down its generating plant and made a contract for current. The chief burgess wrote that the reasons for this were the high cost of operating the plant, trouble with engineers and superintendent, and the fact that the plant was too small for the load. Only a short time before the plant had been enlarged, but evidently without sufficient foresight. The change was heartily endorsed by the citizens, one of whom said that the chief trouble was that “everybody in power wanted to monkey with the plant.”

SOUTH LYON, MICH.—This plant, installed at a cost of \$5,000, was sold in 1912. The village president writes:

“We have sold our South Lyon municipal lighting plant to the Eastern Michigan Edison Company, and every one here seems to be perfectly satisfied with the sale. Our municipal plant was a failure.”

SOUTH PITTSBURG, TENN.—In December, 1905, the city purchased for \$3,000 the electric plant on which \$9,500 had been expended. In November, 1907, the city resold the plant, taking its pay in lighting. A disinterested citizen writes as follows:

“After about two years’ operation of the plant by the city it was demonstrated that the project was not paying, and in fact the actual expense of operation could not be met—hence the main reason for selling; and, too, the plant was in very poor condition even after the city had expended about \$1,000 for repairs, and no more money could be raised by the corporation for additional repairs.”

SPIRIT LAKE, IOWA—The municipal lighting plant was sold to private owners in December, 1909.

The mayor writes that the plant “would not entirely carry itself”; and the town clerk says: “The opinion of a majority of the citizens is against municipal ownership.”

An interesting feature is that, as the plant was presented to the city, there was no interest or sinking fund charge; but in spite of that, it did not pay expenses.

STATESVILLE, N. C.—The municipal electric light plant, established in 1887, has been buying power from a private company for several years. The editor of the Statesville *Landmark* writes as follows:

“The old steam plant was not a paying proposition. Properly equipped, and operated in a business-like manner, it would have paid; but the great trouble with municipal ownership of any sort is to get it operated in a business way, as a private business is operated. The community is disposed to demand concessions that it would not expect from private ownership; and as they feel that they own the plant you can see how readily rates are run down to a non-profit basis. The old plant produced a small surplus of revenue after running expenses were paid, but not sufficient to pay interest on the bonds and to pay for the depreciation. I do not know the exact amount of net loss.”

SUMMITVILLE, IND.—In regard to the sale, in 1911, of the municipal electric light and water plant, the town clerk writes:

“It is true that municipal ownership proved a losing venture in this town, and, after trying for several years to make it self supporting, the plant was sold to private parties.”

SYCAMORE, ILL.—Said to have found that lights cost more under public than under private ownership, and that the cost was increasing each year.

TAWAS CITY, MICH.—The electric plant formerly owned by the city is now in private hands. No information is obtainable from city officials.

TIFFIN, OHIO.—A reliable correspondent writes in regard to the municipal gas plant:

“This property, formerly a city plant, was taken over by the Kerlin Brothers of Toledo, Ohio, after April 1, 1905, and is still operated by the above-named parties under the name of the Montpelier Light & Water Company, Montpelier, Indiana.

“Some years ago, possibly fifteen, the city of Tiffin issued bonds to the amount of \$500,000 for the purpose of furnishing natural gas to the above-named city and did furnish gas for some time, and under these conditions, however, it was not a success, and the piping, wells, leases and other property were sold a few years later at a very low figure. To the best of my knowledge the city is still paying interest on about \$300,000 of this original debt, for which they have nothing to show, as they do not own or operate any municipal utilities at the present time.”

Although some eight years have elapsed since the city of Tiffin, Ohio, let go of its municipal gas undertaking, the memory of that experiment is still green in the minds of the taxpayers. The following editorial from the *Advertiser* may be taken as an illustration of the eternal truth of the old saying that a singed cat dreads the fire.

NEVER AGAIN!

“The city of Tiffin is face to face with the serious proposition of losing the re-

mainder of its street car system and already means and methods of averting such a misfortune are being advanced. Among these is the proposition of municipal ownership. That such a plan will find favor with even a small portion of the people is doubted. Tiffin has had her lesson in municipal ownership and her taxpayers will see to it that she keeps out of it in the future. The taking over of the city lines by the city would not even be an experiment. It would be the deliberate taking hold of a business which 20 years of experience has proven beyond a doubt to be a money losing proposition when operated by a private corporation. If the present owner cannot operate the line at a profit, or even at actual cost of running expenses, even when run as an accessory to the Tiffin, Fostoria and Eastern inter-urban line, how then, in the name of common sense, would the city be able to do even as well with the greatly increased operating expenses!

"In the present conditions it is of great importance that the communications with the factories and Riverview park be maintained for the convenience of the factory employees and for the retention of the park as a free pleasure resort. But they are not so important that the city should leap into the abyss of municipal ownership. Such a policy, just at the time when the city is recovering its financial feet after the municipal gas plant experiment would be suicidal. Rather let us take steps to squelch that irresponsible class of agitators who have taken their grievances, either real or fancied, before the public utilities commission, even though it was done on official advice; then let our city authorities endeavor to the best of their ability to undo the work they have done, by granting the company a fair and reasonable franchise and making the conditions under which the road must be operated so lenient that the company will be willing to at least continue service."

TIPTON, IOWA—In response to enquiries concerning the history of the municipal electric plant the following graphic picture of municipal operation has been received:

"Our municipal plant was run with varying success, controlled entirely by politics. The engineer and fireman were selected with reference to being democrats or republicans. It drifted along until some time in 1893. It is reported that the fireman, instead of wheeling out the ashes, would throw them out of the window and they would pile up against the building. It would frequently get afire, but, as he was there, he could take the hose and put it out. One night it got afire when he was not present and the whole works burned. There was no insurance. Each member of the council, the morning after the fire, found fault with the other one for the reason that he thought the other one had had it insured. The city did not have the money to rebuild and reëquip. The city thereupon granted a franchise to a number of citizens, who organized a private corporation, and the undertaking ever since has been controlled by a private company."

TOLEDO, OHIO—Although the natural gas plant installed by this city in 1895 was primarily for fuel purposes, the gas being used to only a slight extent for lighting, this list would not be complete without some account of it.

The original cost, \$1,500,000, was met by this issue of 4½ per cent bonds, \$1,050,000 of which are still unpaid. The business was unsuccessful from the start, and the very men who had advocated the undertaking and made their private profit from it soon advised that it be sold.

As its gas field became exhausted the city tried to secure a new supply, but its efforts were frustrated by the fact that it had to advertise its intention for sixty days, giving others a chance to get in before it.

Finally the main part of the plant was leased and in 1903 the lines and mains outside the city were sold for \$102,000, of which \$27,000 was protested by the purchasers on the ground that several miles of pipe included in the sale were not delivered, having previously been stolen from the city. It is impossible to tell how much the city will ultimately lose by this experiment, but it will be undoubtedly in excess of \$1,000,000.

A request to Mayor Whitlock for information elicited a reply from his secretary which gave no hint that a loss had been incurred except the following:

"However, the experiment was of much greater benefit to the city than the figures show, for this reason: the consumers of natural gas in Toledo have been given a lower rate than any other city in the country, with perhaps one or two exceptions, for practically the last fifteen years. The low rate was brought about by the competition that began when the city entered the field."

If this were true it might be an adequate offset to the loss on the plant; but unfortunately the facts do not bear out the statement. The 1907 edition of Brown's "Directory of American Gas Companies" gives more than 100 cities and towns in *Ohio alone* where the rate for natural gas is lower than in Toledo, as would naturally be the case, since the gas sold in Toledo is piped from the furthestmost part of the state. This is a good example of the sort of "information" which is given out by city officials who are in favor of municipal ownership for political or other reasons.

TORONTO JUNCTION,* ONT.—This electric plant was installed in 1890 at a cost of \$24,000. In 1902 the generating plant was shut down, and a contract was made for current.

TOWNSEND, MONT.—Only one opposition ballot was cast when, in 1912, the citizens voted to accept the offer of the Butte Electric Power Company to light the city for a term of fifteen years. The town is said to have indulged in an impromptu Fourth of July celebration when the result of the election was announced. The mayor writes:

"The cause of the failure of the municipal light plant, in my judgment, was that the town being small, the receipts from the used electricity would not cover expenses. The cost of running the steam plant was very high. The town lost about \$12,000 in eight years."

TRENTON, MICH.—By a vote of 142 to 18 this village decided in 1907 to sell for \$8,000 the electric light plant installed in 1902 and the water works (except the distributing system) installed in 1896. The original

cost of the latter was \$8,000, while \$16,000 had been expended on the former. As a result of placing these plants in a public street the village had been engaged in litigation for five years, the final decision being against it.

In 1905 the building was destroyed by fire. Although it was insured and rebuilt the plant has not been well kept up since, and there have been the usual differences between the council, the superintendent and the water and light board, finally resulting in abolishing the board.

An investigation by the council disclosed the fact that, aside from depreciation, the plant was losing at least \$500 a year, and that this loss would be considerably increased if they undertook to give the 24-hour service desired by some of the citizens. Their decision was unanimous, and was sustained by an almost unanimous vote of the qualified electors.

UKIAH,* CAL.—The electric plant was installed in 1899 at a cost of \$50,000. The generating plant was shut down in 1908, and current is purchased from a private company. The plant was run at a heavy loss.

UNIVERSITY PLACE,* NEB.—The generating plant of the electric light works, for which the village is bonded for \$15,000, was closed down in 1908, after being operated only three years, and a contract for current was made with a private company.

VANCOUVER, WASH.—A reliable correspondent furnished the following statement in 1907:

"The municipal electric light plant in Vancouver was installed about October, 1888. The total cost up to date of sale was approximately \$70,000, although an inventory of the plant never showed a value in excess of \$40,000. The difference was probably due to charging expenses to plant account, or there may have been certain amounts of money charged to the plant for which the plant showed no investment. The plant was disposed of at public sale June, 1902, the sale price being \$11,000. The reason for the sale was that the plant was losing money, and the terms of the franchise granted with the sale limited the price of current to figures below those under which the municipal plant could deliver current profitably."

Another citizen continues the history of the plant under private ownership:

"The purchaser, whose cash investment was \$5,000, operated and extended the plant without other capital than was available from the earnings, out of which he and two brothers took, in salaries, sufficient money to pay their living expenses. In December, 1905, the Portland Railway Light and Power Company purchased the plant, paying \$200,000, and the net earnings on this investment were over 10 per cent. I consider this one of the best illustrations of the inefficiency of operation of municipally owned plants that has come within my observation."

WABASH, IND.—A local correspondent writes that this was the first city in the world to be lighted by electricity, the municipal plant having

been installed in 1880, at a cost, it is said, of \$18,000. Five years later it was sold at a considerable loss.

WADDINGTON, N. Y.—The electric plant owned by this village was sold after the voters had so ordered at a special election. The president of the village writes briefly but eloquently:

"The property was sold for \$3,000; cost \$8,000; 5 years used. The village was sore on the property."

WADESBORO, N. C.—The municipal electric lighting plant, installed in 1900, has been sold to the Yadkin River Power Company, to which company a ten-year contract has been given to light the town.

A majority of the citizens voted in the recent election against a proposal to enlarge and repair the old lighting plant, preferring to accept the company's offer rather than to continue municipal operation, of which they had already had twelve years' experience. The mayor gives the following reasons for the failure of the enterprise:

"Incompetent men were in charge of the plant, and a short-sighted policy was pursued by the commissioners, who did not keep abreast of the needs of a growing town. Municipal ownership is a rank failure if it is not divorced from politics or favorite sons, cousins, nephews and uncles."

WALKERTON,* IND.—The municipal electric lighting plant erected at a cost of \$14,000 has been closed down and arrangements have been made by the city council to have the Plymouth Electric Light and Power Company furnish current to operate the system. The editor of the *Independent* writes as follows:

"The Walkerton lighting plant has been operated in connection with the water works for several years, and the surplus over the amount expended for maintenance has been counted as profit, with no fund laid aside for repair, rebuilding or depreciation. The day of reckoning has come. With a dilapidated plant, engine beyond repair and dynamo overworked, there is not money enough in the light treasury to buy even a new engine, to say nothing of dynamo, lines, etc.

"The service given here has been night service only, without motor power. On dark days the merchants have been compelled to resort to gasoline lights, and often during the early hours of the evening it was impossible to display goods to an advantage without gasoline lights. One season during the holiday rush the lights were off two weeks, and last fall the town was without light for nearly a like stretch. The cry has always been that the town could not afford to keep two dynamos for emergency, and that they could not run day and night for the little consumption during the day time. The rate is the same as is charged where there are first-class services—both light and motor.

"It would not pay the town to continue at the cost and agony of her merchants to use a current insufficient for her comfort and convenience for the simple reason that they have a municipal plant, when the outside companies offer service at such a low rate.

"Municipal ownership may be all right in some cases, and I am not an anti-

municipal ownership howler, but in the case at hand it doesn't fill the bill, and for one I am glad to see the town espouse something better. I have suffered inconvenience with the rest, and helped pay for a bubble just because it belonged to the town. We want light—and that abundantly—day and night, with twenty-four hour motor privileges.”

WASHBURN, WIS.—In 1907 this city purchased the local electric plant under the impression that it could give its citizens more satisfactory service at a lower cost. After operating the plant for ten months the city discovered its mistake, as there was a loss instead of the expected profit. A flaw in the legal procedure was opportunely discovered, and the plant was returned to its former owners. “Everybody satisfied,” is the way a citizen sums up the result.

WATERVILLE,* WASH.—The town clerk wrote in 1908:

“We are not operating our own plant, but buy the power from the Entiat Power Company. We still have our old plant, and would like to dispose of same if we can.”

Waterville is now purchasing current from the Wenatchie Valley Gas and Electric Company.

WEISER,* IDAHO.—This city in 1903 installed an electric plant at a cost of \$20,000. The generating plant has now been shut down, a twenty-year contract for current having been made with a company.

WEST NEWTON, PA.—In 1910 the municipal lighting plant, installed in 1892, at a cost of \$32,000, was sold for \$14,000 to a private company. The editor of the *West Newton Times-Sun* writes:

“The action of the borough officials in unloading was heartily approved by the taxpayers, for the institution had become a heavy burden, and it seemed could not be made self-supporting. My own reason for this failure (and the same opinion is held by everyone acquainted with conditions here) is that in small communities it is not possible to get public officials of sufficient business ability to successfully manage business affairs of this magnitude and character. In this day business men will not neglect their own business to take care of the affairs of the municipality, especially since there is no remuneration whatever. I cannot figure success to municipal ownership of public utilities in small towns, or in fact in any town or city where public officials are not salaried.

“We have excellent service for all purposes day and night, at a fair rate, and the people are satisfied.”

WEST TAMPA, FLA.—The city of West Tampa, finding that municipal lighting was a failure, sold its plant to the Tampa Electric Company.

WHEATON, ILL.—The electric plant was installed in 1890 at a cost of

\$18,000. The chairman of the electric light committee of the city council furnished the following details:

"Replying to your inquiry I have to advise you that in the month of May, 1904, our generating plant was shut down and the purchase of current from the Aurora, Elgin & Chicago Railway Company commenced.

"At this time our generating plant was in a very bad condition and throughout required immediate replacement. There was still a bonded indebtedness outstanding upon the city on account of this plant in the neighborhood of from ten to twelve thousand dollars. The city also had additional bonded indebtedness outstanding covering other improvements to such an extent that it was not possible, under the statutes of this state to raise a sufficient sum of money by additional bond issues to provide for the renewal of our generating plant, and as it was not possible to further operate our plant with the generating part thereof in the condition in which it was, the city either had to arrange to purchase current or discontinue the supplying of electricity to its citizens; or, on the other hand, find some company which would accept the franchise therefor. At that time this was not possible, so the only other alternative was the purchase of the current, which was done."

This plant has since been sold to a private company.

WILLOUGHBY, OHIO—The town has recently given a ten years' franchise to a private company to supply current for the municipal electric lighting plant.

It has been stated that the total loss to Willoughby through municipal operation is more than \$75,000.

In answer to a letter of inquiry on the subject, the mayor writes that "it would be rather a tedious matter to look up the figures," but "regrets to state that municipal ownership has been a failure."

WILMINGTON, OHIO—In 1907 the mayor wrote in regard to the municipal electric plant:

"It was installed in 1892; cost \$40,000; was sold February, 1903, for \$12,000. At time of sale the city had about \$110,000 invested in the plant up to that time. The company purchasing same valued the franchise much more highly than the plant itself, from which I am told only about \$4,000 was realized. The reason for selling plant, as I presume, was that it proved a failure under the management of the city authorities notwithstanding the fact that those in charge were good and honest men and supposedly competent to successfully operate the same."

Another citizen wrote about the same time:

"The plant was a complete wreck and had been unable to furnish lights for streets for some months prior to sale, and only occasionally for commercial use. The people refused to vote additional funds, or in any way aid the council in rebuilding plant. In a municipal election where nearly 1,000 votes were cast for the purpose of ratifying the contract with the private company, only 34 votes were cast in opposition."

At that time the total cost to the village for the lighting of the streets (123 arcs), city hall and other public buildings, together with fire protec-

tion from 81 hydrants and water for the public buildings, was less than the cost of operating the electric light plant for an average of 90 arcs under the municipal régime, without any allowance for lost taxes and depreciation, the latter item alone amounting to \$3,300 a year.

WINCHESTER, TENN.—The municipal electric water and light plant, installed in 1902 at a cost of \$50,000, has been leased. The mayor writes under date of July 18:

"We think a private party can look after the business better than the town."

The editor of *Truth*, the local paper, adds the following statement:

"Before the lease it was being operated at an expense or loss—now it is returning a profit."

WOODSTOCK, N. B.—The following statement was furnished by the chairman of the finance committee of the council:

"The Woodstock municipal lighting plant was installed in 1882, at a cost of approximately \$20,000, and continued to serve the town up to the fall of 1906, when a contract was entered into by the corporation with a private concern generating by water power. The municipal plant had got in poor shape, and was not giving a satisfactory service, and this, added to the high price of fuel, induced the corporation to accept the offer of the private company, which now has a monopoly, the municipal plant being practically fit for the scrap heap."

WYTHEVILLE, VA.—The town installed a municipal electric plant in 1889 at a cost of \$12,000. The plant was operated by the town until it was demonstrated to be a losing proposition. The old and worn out machinery was sold when a franchise was granted to the private company which is now lighting the town.

XENIA, OHIO—In 1907 the mayor wrote:

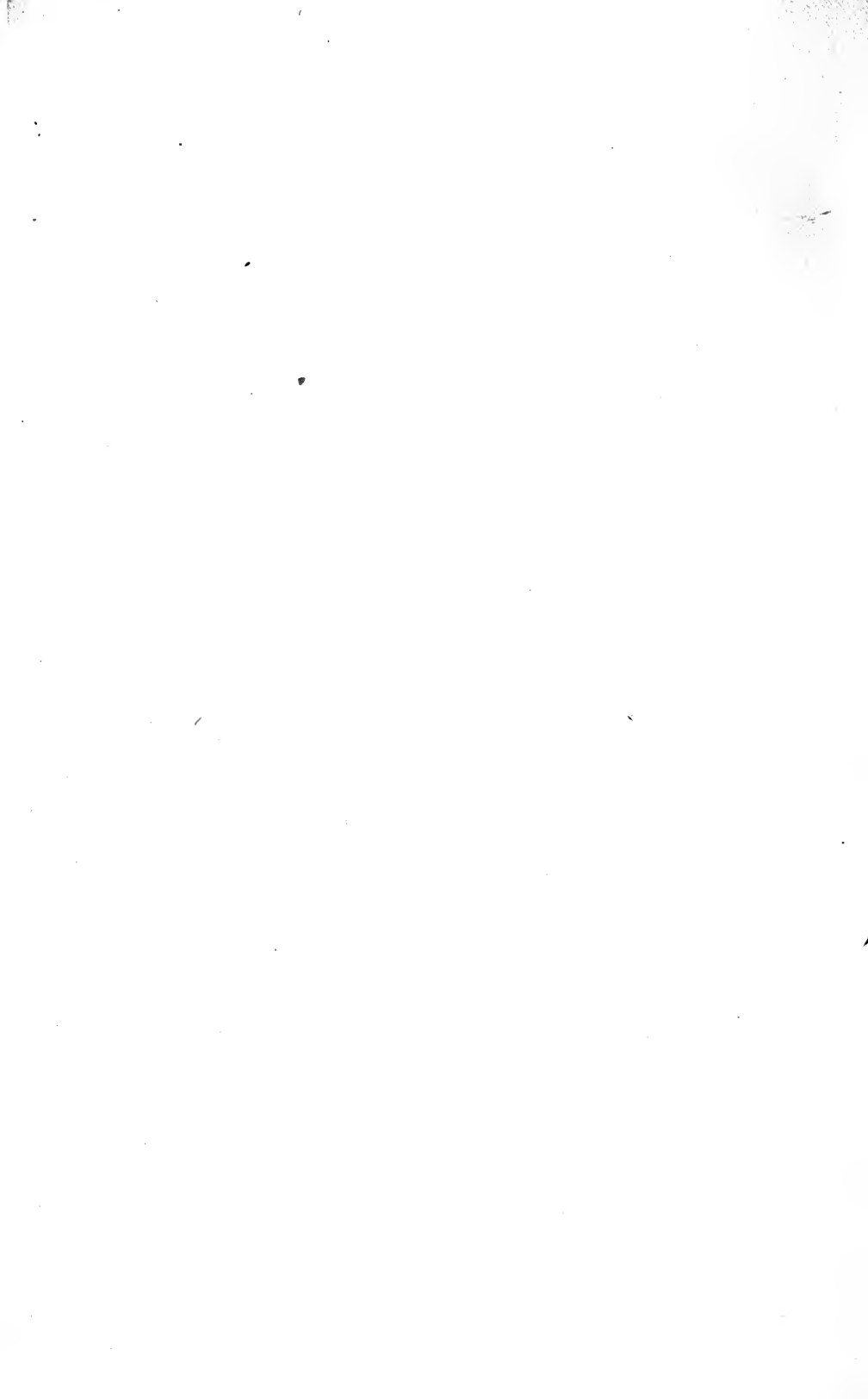
"The city of Xenia paid upwards of \$21,000 for a light plant, and the cost of running the same was at the rate of \$103 per lamp. The plant was badly run, the operating of the same being in the hands of a committee of councilmen, who were inexperienced and, of course, drawing no salaries, did not give it the proper attention. All they got out of the sale of the works was \$2,500. The city afterwards entered into a contract with a private corporation, and the price now paid per lamp is \$63."

Another authority states that the amount ultimately invested in the plant was \$35,000, and that the loss when it was sold, together with the excess cost of operation over what the lighting would have cost by contract, amounted to more than \$90,000; in other words, that that sum represents the cost of the experiment. The plant was built in 1882 and sold in 1896.

In reply to recent inquiries, a citizen writes:

"Municipal ownership in Xenia is a dead letter. It is the same old story. Politicians who are good fellows and can get votes as a rule are not good managers—that is, to show a profit in any municipal plant."



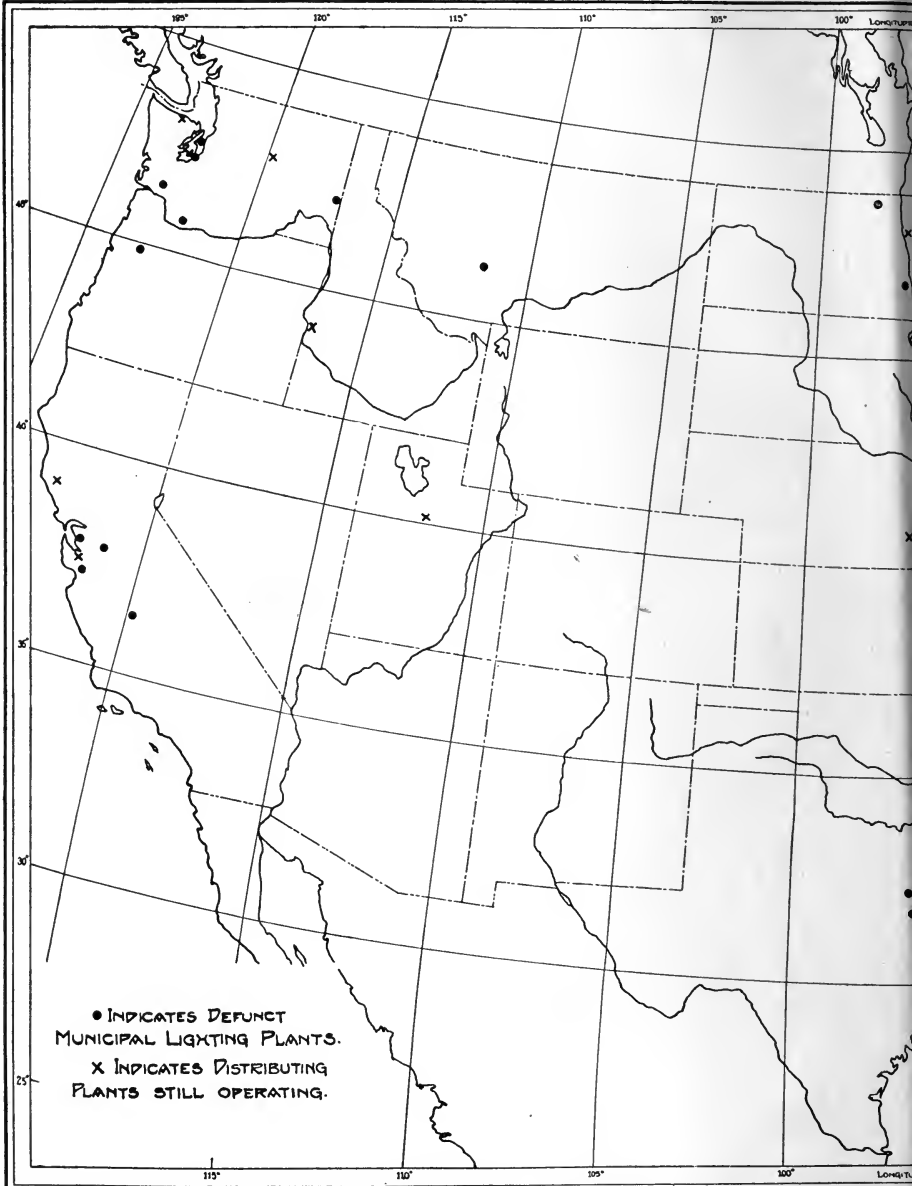


THIS Map is published as a supplement to the ninth edition of Defunct Municipal Lighting Plants, a pamphlet containing detailed accounts of the sale, lease or abandonment of 212 municipal lighting plants in the United States and Canada.

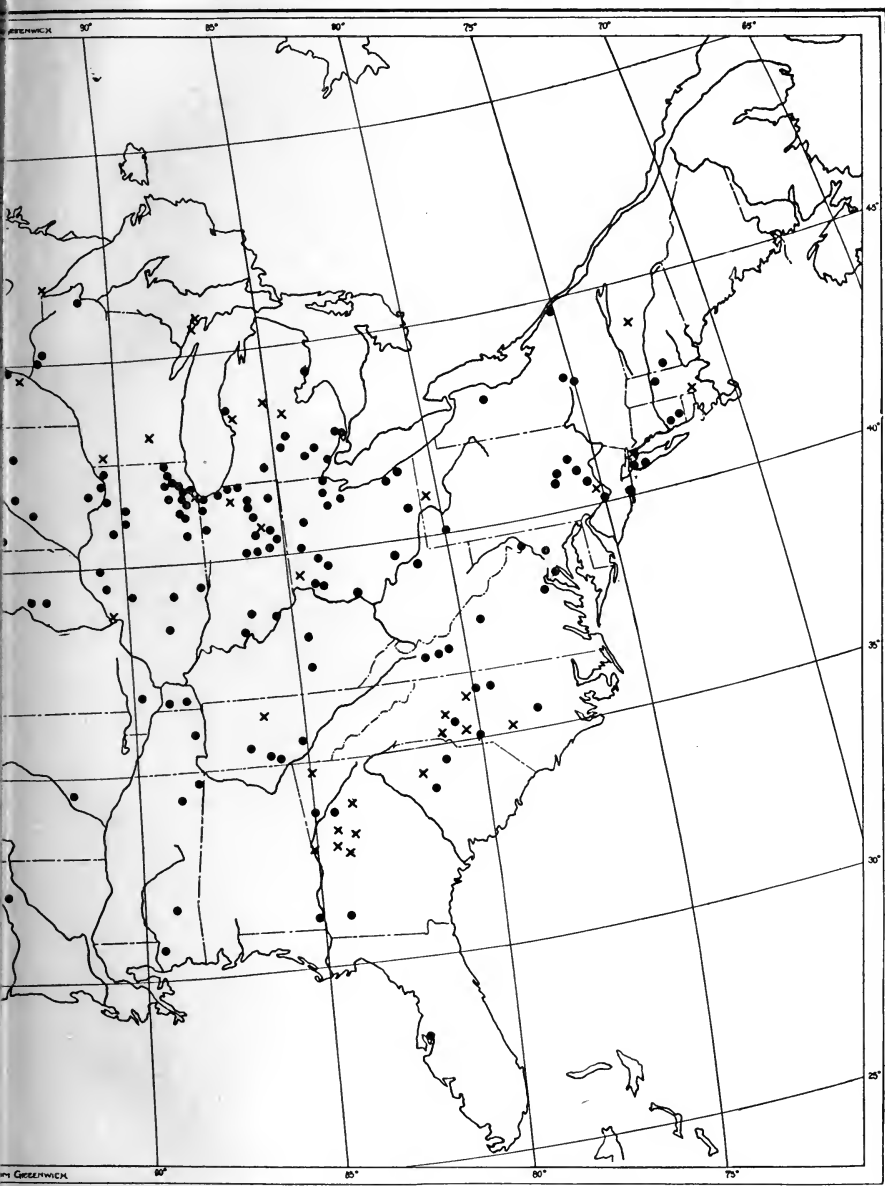
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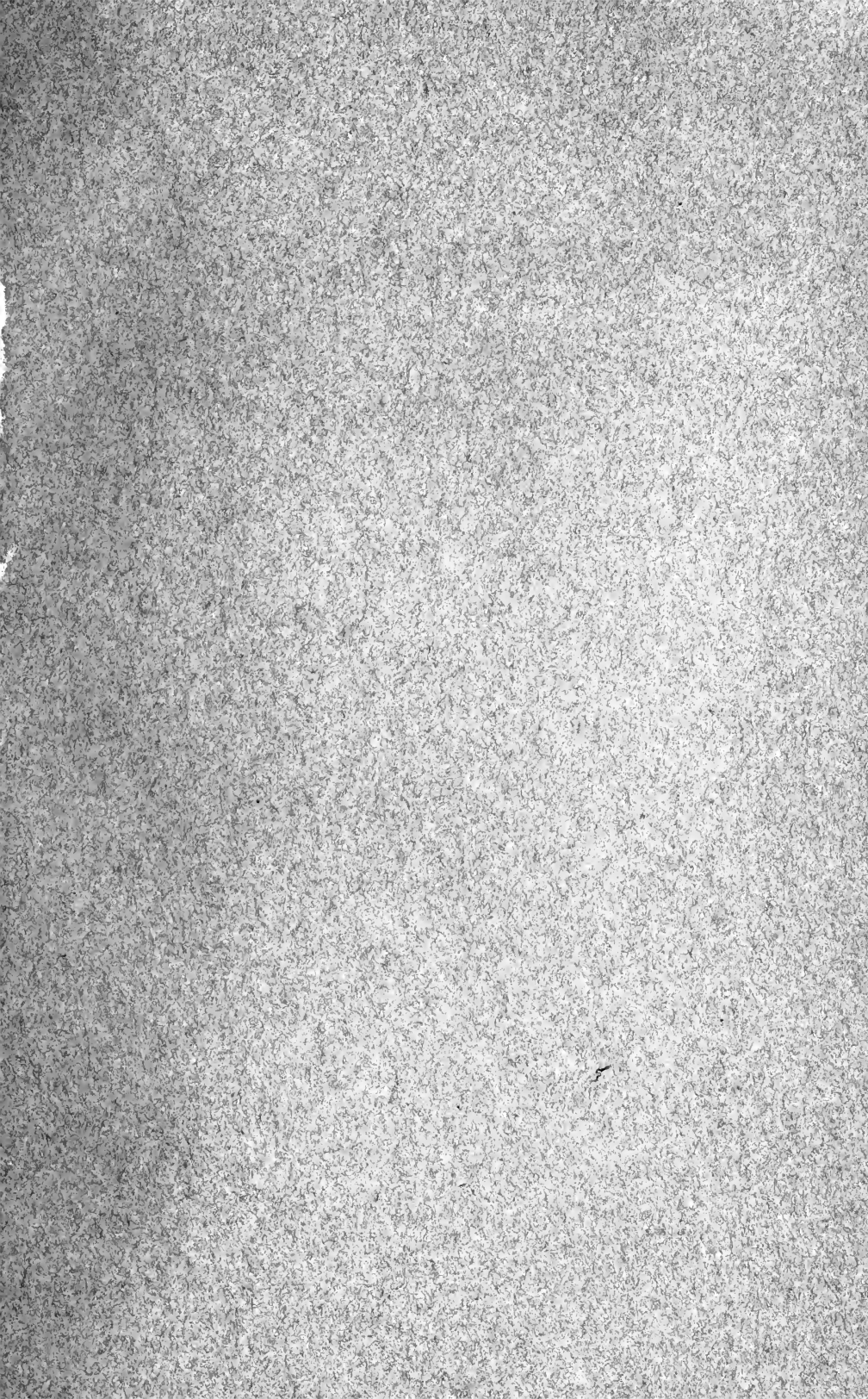
UNCT NTS IN THE UNITED STATES



Defunct Municipal Lighting Plants in the United States

Alabama	Indiana—Continued	Mississippi	Oklahoma
Columbia	Jonesboro	Ellisville	Lehigh
Arkansas	Lowell	Iuka	Oregon
England	Madison	Pontotoc	Hillsboro
Nashville	*Marion	Poplarville	Lakeview
California	Mentone	Missouri	Pennsylvania
Berkeley	Michigan City	Brunswick	*Ellwood City
Gilroy	Mishawaka	Dexter	Emaus
Lamoore	Montpelier	Huntsville	Forty Fort
Modesto	Muncie	Lawson	Lehighton
*Santa Clara	New Carlisle	*St. Charles	McAdoo
*Ukiah	Sheridan	Savannah	Philadelphia
Connecticut	Summitville	Montana	Shickshinny
*Jewett City	Wabash	Townsend	*Souderton
*Norwich	*Walkerton	Nebraska	West Newton
Florida	Iowa	Batesburg	South Carolina
West Tampa	Audubon	*Cheraw	*Laurens
Georgia	Clarion	New Hampshire	South Dakota
*Barnesville	Colfax	Peterboro	Sioux Falls
Carrollton	Delta	New Jersey	Tennessee
*Dalton	Leon	Allenhurst	Dayton
Edgwood	Lyons	New York	Huntingdon
*Forsyth	Marcus	Frankfort	*Lebanon
*Griffin	Sioux Rapids	Gravesend	Lewisburg
*Lawrenceville	Spirit Lake	Hempstead	South Pittsburg
*Monticello	Tipton	Le Roy	Winchester
Pelham	Kansas	Mohawk	Texas
*West Point	Council Grove	*New York City	*Fort Worth
Idaho	Emporia	Waddington	Honey Grove
*Weiser	Kentucky	North Carolina	Itaska
Illinois	Hickman	Burlington	Utah
*Berwyn	Midway	*Concord	*Payson City
Braidwood	Murray	*Fayetteville	Vermont
Buckley	Somerset	*Gastonia	*Northfield
Clayton	Louisiana	Goldsboro	Virginia
Coal City	Mansfield	High Point	Alexandria
Cuba	Maryland	*Lexington	Buena Vista
Elgin	Rockville	Mooreville	Christiansburg
Findlay	Massachusetts	*Statesville	Fredericksburg
Galena	Millers Falls	Wadesboro	Pulaski
Girard	Needham	North Dakota	Wytheville
Hampshire	Michigan	Casselton	Washington
Harvard	Charlotte	Langdon	Ballard
Joliet	Dexter	Ohio	Chehalis
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Moline	Mendon	*Hamilton	West Virginia
Neponset	Richmond	Lakewood	Harrisville
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Princeville	*Shelby	Madisonville	Wisconsin
Sandwich	*Shepherd	Milford Center	*Cuba City
Sycamore	South Lyon	Portsmouth	Hudson
Wheaton	Tawas City	Tiffin	*Lake Mills
Indiana	Trenton	Toledo	New Richmond
Bourbon	Minnesota	Willoughby	Washburn
Brownstown	Delano	Wilmington	
Churubusco	*Duluth	Xenia	
Dunkirk	*East Grand Forks		
East Chicago	Fulda		
English	Graceville		
Goodland	*Kasota		
	*Shakopee		

*Cities which still operate their distributing plants.



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