## Hall County District Fair

Morgan And Wilburn
Aged Man Buried At Newlin Friday


## A FRANK TALK TO OUR MEMPHIS GAS CONSUMERS <br> I am taking this means of discussing frankly the "gas question" with the citizens of Memphis. As Manager of the Northern Texas Utilities Company, I will speak for the company which I represent. In view of the discussion of the "gas question" it now seems

as though the time has come for us to say something. So far we have refrained from
making any public statement, because we felt making any public statement, because we felt,
that we should not talk until we were prepared to back up our statements with actual facts.

Last winter a number of complaints as to gas bills were received from our customers. There probably were several causes contributing to these complaints, among them being "hard times" and a winter without extremely cold weather but with an unusual number of days sufficiently cold to require heat in living quarters. At the request of the City Council, officials of my company appeared before them during the week of March 6th. At that time the "gas question" was discussed fully, and the City Officials were then advised that we could not consent to a reduction in rates property for the purpose of determining as to whether or not we were making more
than a reasonable return from our Memphis business. We made no promises as to changes in rates, but we did promise that an investigation of our Memphis business would be made and that all the facts which might be brought to light as a result of such investigation would be laid before the City Council.

We told the City Council at that time, that the Northern Texas Utilities Company as a whole was not then making more than a reasonable return on its investment, but, notwithstanding this fact, if the investigation of our Memphis business brought to light that our rates were yielding more than a reasonable return on the present value of our property in Memphis, we would gladly consent to a reduction.

It may not be clear to many of you why it was impossible for us to produce at that
time definite information as to our Memphis time definite information as to our Memphi
business, apart from the affairs of the Northern Texas Utilities Company as a whole. I appreciate that it is only reasonable that there
should be a lack of understanding on this point, hence I will endeavor to explain it in some detail.
The Northern Texas Utilities Company operates as a single unit in producing, transmitting and distributing natural gas
customers. All of its operating affairs are customers. All of its operating affairs are
supervised from its office in Wichita Falls. The general books of the company reflect only the affairs of the company as a whole.
The Memphis revenues are kept separately, but the general books of the company do not reflect separate figures as to the value of the
property in Memphis, as distinguished from property in Memphis,
the rest of the property.

In determining the reasonableness of rates charged in Memphis, it becomes necessary to arrive at the present fair value of those facilities used and useful in supplying gas service to our Memphis customers. Even though
our books showed a separate valuation of our our books showed a separate valuation of our
Memphis property, it would be proper and only fair to our customers to tevis whe property on a present day cost basis which
we recognize is now lower than it was when we recognize is now lower than it was when the property was originally installed. As
stated before, the Memphis facilities had not statod before, the Memphis facilities had not
bef r$)$ been valued separately, hence it was been valued separately, hence it was
y to make such a valuation before we y to make such a valuation beorore we
intelligently discuss the question of the rates in effect in Memphis.

In May our engineers started appraising all of the property of the Northern Texas Utilities Company, and we have had more than sixty men engaged in this work. There is much more involved in this situation than an appraisal of the property in Memphis. The same promises were made to the City Councils of Childress, Wellington and Quanah. Thus
the distribution systems in all four cities had the distribution systems in all four cities had
to be appraised in the same way in order that we might arrive at an equitable in order that we might arrive at an equitable
city border rate for the gas supplied from city border rate for the gas supplied from
the transmission system to the Memphis disthe transmission system to the Memphis dis-
tribution system, it became necessary to make an appraisal of all the gas reserves, wells, an appraisal of all the gas reseryes, wells,
gathering lines, transmission pipe lines and
ond other similar facilities.
has not been completed it has progresed far enough to enable us to make the reports as promised.
On July 15 th I conferred with a comMemphis, Childress and Quanah and at that time I assured them that we expected to com-
plete by September 1st, the report that had plete by September ist, the report that had
previously been promised. We have done our utmost to get this information as early as
possible, but we have declined to make any peport, until it could be made authoritatively.
We expect to complete and file our Memphis report by September 1st. This report will show that for the year ending June 30th, 1931, our net revenue after payment of all expense and allowance of a payment of all expense and allowance of a
reserve for depreciation, was $5.8 \%$ of the present day depreciated value of our Memphis property. These figures will be set out in detail in the report. Do you
think this is more than a reasonbe turn? Do you see how capital can be tracted to a business yielding less than this? Do you believe that a reduction in rates can be justified in the face of these facts?

## Someone will say "I would like to be mak

 ing that much return from my business atthis time." That is a reasonable remark to make and it strikes at an important phase of this gas question viz: the fundamental
difference between the utility business and difference between the utuity business and because of the character of its business, is
limited by regulation to charges which will limited by regulation to charges which will yield it no more than a reasonable return. The
private business, on the other hand, is not subject to regulation, and in good times may buimes of depression. Thus regulation of rate prevents a public utility from making enough money in good times to enable it to reduce rates in hard times, however much
like to do business on that basis.

But please do not ger the idea that this company is not suffering from the depression. A substantial source of revenue consists of sales to industries. In this field, gas is sold in competition with fuel oil. For the year ending with July, 1931, as compared with the year ending with July, 1930, the total revenues of my company were $31.2 \%$ less. The total revenues for July this year against July of last year were $45.1 \%$ less. If anyone thinks that the depression is not affecting our business as a pression is not affecting our business as a
whole along with all other lines of business, let him please make careful note of these figures.

I have the responsibility of managing the affairs of the Northern Texas Utilities Com-
pany as a whole. In that position, I feel that
my obligations are twofold. First, I want my company to merit the confidence of its cus-
tomers. Without the good-will of its cuslomers. Without the good-will of its cus-
tomers, no business can succeed. With this in mind, it is the policy of the company under my management to take an active part in
the affairs of the communities in which it operates. While we have not as yet accomplished as much in this direction as we hope to do, we have been assured in recent months
that at least some progress has been made in this direction
The second obligation resting upon my shoulders is to so operate the company's af fairs that it may continue to merit the conin this business. There are many people whe have purchased securities of our company. have purchased securities of our company-
Those people expect, and are entitled to receive a reasonable return on their investment. It would be unfair to them to consent to a reduction in rates which would undermine the security behind their investment. I am
sure none of our Memphis customers would expect such a thing.

But I want to adopt a course that will satisfy both the customers and the security holders of the Northern Texas Utilities Company. This cannot be done if we allow the customers to place their own price on the service rendered by my company without any thought to the affect of such a course on the capital this other lot of people (our security holders) have entrusted to my management. Put yourself in my position and tell me what you would

A request has been made that the domestic rates for gas service in Memphis be reduced to 50 c per 1,000 cubic feet While this suggested rate has never been stated definitely, it is assumed that a $10 \%$
discount would be requested in connection with the rate and that the minimum monthly bill would be $\$ 1.00$ as in the present rate. We have calculated what the effect of this change of rate would be for the year ending June 30th, 1931, and have found that instead of a net return of $5.8^{\circ}$ a net annual loss of over $\$ 8,000$ would re
sult in Memphis. sult in Memphis. This rate would con fiscate our property

I will say frankly that we are not satisfied
with our present type of residential rate. For
the year ending June 30th, 1931, our records show that $76 \%$ of the annual residential gas bill in Memphis was paid in six months of the year. For the same annual period the highest average monthly bill was $\$ 9.16$ and
the lowest $\$ 1.60$. This creates a burden on the lowest $\$ 1.60$. This creates a burden on
the customer in the winter time when his the customer in the winter time when his
other bills are high, and requires the company to maintain gas service during the warmer months at a loss. We have been seeking a form of rate which would reduce the cost of gas when the consumption is greatest and
which would reduce the company's loss from which would reduce the company's loss from
maintaining service to residential customers maintaining service to residential customer
when the consumption is lowest. Therefore, we have designed an entirely different type of rate which we are going to offer to those
Memphis customers who may want to take it, provided the City Council approves suc it, provided the The monthly rate is as follows:-

15c net per 100 cubic feet for the first 1,000 cubic feet used during the month.
$71 / 2 \mathrm{c}$ net per 100 cubic feet for the next 2,000 cubic feet used during the month.
$4^{1} / 2$ net per 100 cubic feet for all ad. ditional gas used during the month. Net minimum monthly charge $\$ 1.50$.

Subject to the approval of the City Council, we propose to offer this as an optional rate. Those who want to take it may do so, those who prefer to continue paying the present rate may do so. The only stipulation that we feel that we must make is that once á
customer has elected to take the new rate, he customer has elected to take the new rate, he
must continue to take it for at least one year must continue to take it for at least one year
from the date of his application. Of course, from the date of his application. Of course,
this means that only those who would be benethis means that only those who would be bene-
fitted by the new rate would select it. Apfitted by the new rate would select it. Ap-
plying this rate to all such customers for the plying this rate to all such customers for the
year ending June 30th, 1931, this would have year ending June 30th, 1931, this would have
resulted in a reduction of the annual amount resulted in a reduction of the annual amoune
paid by Memphis domestic customers of more than $\$ 5,000$ and an annual decrease in the company's revenues from its sates to such customers of more than $10{ }^{\circ}$

I want you to know that my company is fully appreciative of the opportunity we have to do business in Memphis. We don't want to be unsympathetic at this time when business conditions are unfavorable. We don't blame anyone for wanting gas service for less. I am glad to explain the affairs of my company to our customers, believing that they want to be fair with us as we want to be fair with them. We feel that the majority of our customers do not want to ask for gas rates that would represent less than the cost of service.

The report we are rendering to the City Council of Memphis sets out all the facts which we believe are pertinent to this situa-
tion. I wish that we could place a copy of this report in the hands of every customer so that it might be read by all. Since this is not way for us to tell our story to our customers except by means of newspaper advertisements.
In this, the first of a brief series of talks which will appear in the weeks to come, I have at tempted to give you only an outline of what
is given in detail in our report to the City Next week I expect to answer a number of questions that I have been asked about our
gas business. They are only reasonable quesgas business. They are only reasonable ques-
tions and there are reasonable answers to them. tions and there are reasonable answers to them.
The average customer cannot be expected to The average customer cannot be expected to
know all about the gas business. He has a perfect right however, to ask such questions and he has a right to expect an answer. Many
ttatements about the gas business are being statements about the gas business are being made nowadays whichare not founded on fact, the people want are the true facts in this situation, as in all other matters. I am simply asking that you reserve your final judgment until I can have had an opportunity to be it is my privilege to represent


Northern Texas Utilities Company

Local Druggist Reads Paper At Meeting


Thy work s contrines and oten 1 eat mantineas

 and 1 will smother and | have pains in my chest |
| :---: |
| II had to be eareful |
| it | "I had to be eareful what I ste, but after

someone had recomsomeone had recommended Black-Draught and I found a small pinch after meals was so
helpful, I soon was eathelptul, I soon was eat ing anything I wanted. 'Now when I feel the least smothering or uncomfortable bloating. take a plnch of Black-
Draught and got relief.


 BIACK
DDACH 2.

P.A-

## world's greatest tobacco for HOME-ROLLED CIGARETTES



That's a pretty broad claim, but I stand ready to make good on it. Just get yourself some Prince Albert and the makin's papers. As you open the package, take a deep whiff of that wonderful fragrance. Then go ahead and roll! Now . . . light up. Cool as a hinge on the ice-house door. Delightful as a dip in the surf. Mild and mellow as can be. You'll say so. And this goes for P.A. in a pipe, too. PRINGE ALBERT

- NO OTHER TOBACCO IS LIKE ITI


AND HRRR'S THE BEST PAPER. A book of the then


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 N SPEECH ARTS



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Fall term begins September 7th.
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 BEGIN CLASSES$\underset{\text { Piano }}{\text { Give }}$ Pivato Liolin At Plano And Violin At
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We Heartily Enderse The Work Being Done By The Music And Expression Teachers of Memphis

AT A TIME such as we have been experiencing for the past two years, we should not lose sight of the finer things in lifethose cultural influences that stand one well in hand during periods of depression and seasons of prosperity

THE YOUNG PEOPLE OF TODAY have every right to partake of the opportunities and advantages about them. If they overlook these, they are hampering themselves irreparably.

MUSIC AND EXPRESSION speak a common language of culture and well beingeasily understood and easily assimilated. We are proud of the gifted teachers in Memphis and the unselfish work they are doing to foster and encourage the Fine Arts.

DOLLARS PLANTED TODAY in the right channels will grow over and over again, and will yield a crop of happiness and independence that will survive any storm. Think it over as you plan for the school year ahead.

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Announces the Opening of Her Studio,

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Attention Given to the Following Phases Fundamentals of Expression Voice and Diction Phonetics and Pronounciation Harmonic Training and Pantomime Dramatization
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## Lelia E. Ballew

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## Annie Laurie Carter

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Studio Memphis Hotel Ballroom-Phone 197 FALL TERM BEGINS SEPTEMBER IST.
Enrollments are being made now and periods are being engaged.

The Local Faculty of the Amarillo Conservatory Of Musical Ars Will have An Informal Opening Of lts Classes Tuesday Morning At 10 O clock
In The Margaret C. Morgan Studios, 202 North Tenth Street.
Pupils, patrons and friends of the faculty are invited. A musical pporgam wine be procenented
during the social hour, after which enrollment during the social hour, after, which enrollment
for the fall term may be made.



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| wotce to pomuc <br> Any erroneous reflection upon the character, standing or reputation of any person, Arm or corporation, which inay appear in the columns of this paper, will be giadiy -arrected upon due notice of same |  |  |
| THE DEMOCRAT'S PROGRAM FOR 1931 <br> (Cheek Mark Indieates Project Has been realized) <br> 1. A Federal Building for Memphis. <br> 2. A Substantial Payroll. <br> 3. The Certainty of a New Railroad. <br> 4. More Consistent Contacts Between Memphis and Her Trade Territory. <br> 5. A Diversified Farmiag Program. <br> 6. The Planting of Staple Seed. <br> 7. Closer Cooperation Between the Public and the Farm Agents. <br> 8. Publie School Music. <br> 9. Adequate Support of Every Besevolent Enterprise. <br> 10. Encouragement of the Fine Arts. <br> 11. More Generosity and Less Animosity. <br> 12. Accentuation of Religioua Endeavor. |  |  |

STUDIOS ARE TO

ONE day last week a representative of one of woald be possible for a very nominal sum, that the college
every effort to ose that boys and girls who
education got ons. He expressed the hope sumber of atudents from Memphis and Hall rieulate in the college late in September
We wonder just hew well Memphis wh tous colleges another year? Will the depre
and youag women away whe would otherwise
are our young people in regard to a higher
forded by grammar school and high school? We believe that if a boy or girl really want
he or the will suceeed in accomplithing their
(finest things we know anything about is the eip Finest things, we
(from working

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## come their way.

Memphis' boys, and girlt are ambitious. We do not believe they
mill mark time waiting for a more auspicious season to begin their
-ducation. We have faith in them that will go ahead, buck every-


## OPENFORFALL

 TERM'S WORK


## SOCITMM

Business Girls Meet Tuesday With Mrs. Webster


## Misses Lofland

And West Give
Bridge Party


Local School
Teacher Marries August 10 At Waco


Audrey Lofland To Be Presented In Piano Recital

Frances Finch Is Hostess At
Theatre Party

## Ritz Theatre

| Prices 10 e \& 25e Washed Air Cooling |
| :--- |
| Friday and Saturday, August 28 \& 29 |
| Richard Arlen and Mary Brian in |
| "Gun Smoke" |
| Episode No. 5 of The Vanishing Legion." The |
| Chain Gang" with Mickey Mouse. |
| Monday and Tuesday, Aug. 31 \& Sept. 1 |
| Eddie Dowling and Ray Dooley in |
| "Honeymoon Lane" |
| Comedies: "Betty Co-Ed" and "Love in the Suburbs" |
| Wednesday and Thursday, September 2 \& 3 |
| "Murder by the Clock" |
| with WWiliam Boyd and Lllian Tachman. |
| Comedies: T. L" and "Paris." |
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Palace Theatre
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Thursday, September 3

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| COFFEE | 790 |
| COFFEE | 14 c |
| TEA som ist | 400 |
| POST BRAN | 100 |

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