AS BOWS CaRPY Here By
ANDSLIOE OF TEN TO ONE

EY MAN ISSTATEMENT ISUUED BY MAYOR
WERNSSDAY
R SHOTNG
AS TO OUTCOME OF ELECTION

$\qquad$
$10 \stackrel{\text { PAGES }}{ }$
HALL COUNTY'S LARGEST NEWSPAPER

## Sue

nization of mittees For ir Work Begun

Gas Penalty Suit Being Transferred To Federal Court

## Demonstration Is Held To Begin Community Canning

RESULT OF ELECTION LEAVES NO DOUBT AS TO PEOPLES CHOICE
Interest In Bond Election Mounts To High Pitch; Wellington Gas Bond Issue Also Carries By Overwhelming Vote
Citizens of Memphis turned out in large numbers Tueaday.
went to the pollls and by their ballos expresed their preference




Grand Jury Meets On Monday And Is Charged By Judge Canned Wheat With High School Sude
 Served Chamber of Commerce Officials

 ed
eThere ig considerably more en-
thusiasm this year regarding the
for a municipally owned gas system for this city rather than a
continuation of the high rates charged for gas that were raised
even higher through an optional rate by the tutilities company
now serving Memphis. The bond issue carried by a landslide
of ten to one, leaving no doubt as to what the people want.
The result of the election is not a surprise, although the extent

Aged Woman Hurt
In Auto Accident
Local Men Attend Barbecue Held At Goodnight Ranch

ISOCIETY
Mesdames Broome, Wheat And Norman Hostesses At Meet Of U.D.C. Chapter








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 MethodistW.M.S. Holds Business Meeting Monday
Hary Womack ITo Group Sunday$=$

 ..... $=2=$

Methodist Class
Has MeetingOn Thursday
SIZES FOR ALL...6
ALL
Can Affordover before. Youll he delighted with$=\mathrm{zz}$ ²675- Nam

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|  | School Class Has |
| Thursday Bridge | Meeting Recently |
| Club Meets With | Meeting Recenty |
| Mrs. Harrison | f |
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| 发 | Sen |
|  | Miss Williams |
|  | Miss Willams |
| Mr. and Mrs. Bell | Is Hostess At |
| Entertain Group | Evening Party |
| Saturday Night |  |
|  |  |
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MizpahAuxiliary $=1=-2$ Meets Monday With Frances Drake


| BACON 1.0 mem wameme | 320 |
| :---: | :---: |
| SALMON | 100 |
| PNEAPPLE | 100 |
| SNOWDRIFT | S1.05 |
| VINEGAR | 250 |
| MEAL | 276 |
|  | 200 |
| JELLO ${ }_{\text {mom mamem }}$ | 156 |
| SUGAR | 150 |
| VANLLA WAFERS | 100 |
| TOLLET PAPER |  |
| MATCHES ${ }_{\text {cmem }}$. .o. | 150 |
|  | \$1.30 |
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SPECIALS For Friday \&
Saturday20ocSNOWDRIFTVINEGAR

SUGAR TOILET PAPER s.or rimen 100 MATCHES



## City Grocery

 In Hanna-Pope Togs Is Just The Thing! School Day Are Here, And It's Time For New Shirts, Blouses, Unde wear, Shoes, Etc.


Hanna-Pope\& Co.

## Bads Schioo






# FURTHER ANSWERS TO QUESTIONS 

# ASKED ABOUT 

Last week I gave you some facts about the cost of producing, transporting and distributing gas. I also pointed out which expenses affecting the cost of serving gas have gone down, which expenses have remained the same, and that the Company's revenues have been greatly reduced because of the business depression.

I have often been asked this question;

## Doesn't your Company base its rates on the amount of its outstanding bonds, stocks and other securities?

This is not a fact. When my Company undertook to make a report on its frates, we knew that what we must have was the actual present day depreciated value of the property used to render ervice. We knew that appraisals made Everal years ago would not reflect present day costs and, therefore, would be valueday costs and, therefore, would be value-
liss. We also knew that additions, extensions and replacements are constantly. being made on our property and that any previous inventories made might contain some property which had been replaced and would not show recent additions and extensions. We knew that our rates must be based on the present value of the property used to render the service and property used to render the service and
not upon the capitalization of the Company operating the property.
, Manufacturers and dealers price lists and price quotations on the present costs of pipe, fittings, meters and other items of property were obtained, together with present freight rates, and these quotations yere used to price the delivered cost of ferterial. Then the expense of building these materials into a complete gas dis tribution system was computed, together with overhead costs in the amount in which these costs are actually being inzurred on other gas distribution systems

Another question sometimes asked is:

## Why doesn't your Company charge a reduced

 price for gas now and make up the deficit by increasing its charges when business conditions get better?This is an appealing proposition and my Company would certainly gain a great deal of good will, if it were permitted to to business on this basis. It amounts to his: That gas rates shall be based on he ability of the customer to pay and hall be adjusted downward in times of depression and correspondingly increased in times of prosperity.

- As I must do, I have asked for a legal

As I must do, I have asked for a legal ion on this proposition and I am adthat it can not be done according to
that are under construction today. The intangible values were included in the amount comparable to those expressly approved by experienced ratemaking bodies. From the result obtained, which was the cost to reproduce the property new, the loss in value due to physical new, the loss in value due to physical
deterioration, corrosion, wear, etc., was deterioration
deducted.

Thus the value which my Company reported to your City Council is not based on valuations made several years ago. It is not based on the capitalization of Northern Texas Utilities Company. This value is what it would cost to buy the materials on the present market, hire labor at present wage scales and rebuild labor at present wage scales and rebuild
the property and reproduce the business the prop
today. This method of valuation is the one generally used and approved throughout the country. It gives full effect to the increased purchasing power of the present day dollar and today's lower cost of material and labor.

A gas distribution system being necessary to serve gas to our consumers, surely our present system is actually worth to anyone what it would cost to rebuild and reproduce such a property, less accrued depreciation.
law. I an told that a public utility cannot make up the deficits incurred in the past by increasing rates for the future and that the proper regulation of rates requires that they be such as to yield no more and no less than a reasonable return on the fair value of the property used to render the service.

## Home owners often ask this question:

> Why not change your rates so that the industrial user would pay more and the householder correspondingly less?

This would not be fair to the City of Memphis, it would not be fair to large users and it would not be possible.
It would not be fair to the City, because it would place Memphis at a disadvantage as a location for industries.
It would not be fair to consumers,
It because the wholesale purchaser is en titled to a better price than the purchaser in small amounts.

The Company's property and service at Memphis is primarily dedicated to the residential customer. Around $90 \%$ or more' of the Company's Memphis investment has been made solely for and is used ment has been made solely for and is used exclusively in the service of residential
customers. Around $90 \%$ or more of the Company's operating expense, other than the cost of gas, is necessarily incurred in serving the residential customer.
Since the investment and expense per 1,000 cubic feet of gas sold is much greater in the case of the householder than in the case of the industrial customer, don't you think that the price paid by these different types of customers
should reflect this difference in should reflect this difference in cost.

Then as a practical busines proposi-
tion gas has to be priced so that it will sell. A customer will not buy gas, uniess the service compares favorably in prize as well as in all other respects with other forms of fuel.

Natural gas for household purposes at present prevailing rates is cheaper tira other forms of fuel having like advantagos and this is the principal reason way natural gas is universally used wherever obtainable.

On the other hand, gas for industrial use does not have this same advantage in price over other forms of industrial fuela. price over other forms of industrial fuela. fuels very largely fixes and measures tin: price at which gas can be sold to indus. trial users. If the gas utility is compelled to sell gas above the price of other industrial fuels, it will not obtain any industrial business. The revenues from industrial sales are included in determining whether the Company is making a reasonable return on the fair value of its property. If there were no industrial businzs. erty. If there were no industrial busings.,
residential rates would have to be higher than they are at present in order to yilld this reasonable return.

There is still another question that is sometimes asked and that is:

## What is the heating value of gas supplied to Memphis customers?

Daily tests are made of the gas served to our customers in Memphis and elsewhere. These tests show that for the twelve months ending July, 1931, each cubic foot of gas served in Memphis contained an average of 1024 B. T. U., or British Thermal Units. A B.T. U. is the customary unit of measurement for gas and is the quantity of heat required to raise one pound of water one degree Fahrenheit at or near its maximum density.

The records supporting these tests are
on file in the Company's office in Wichita Falls.


Northern Texes Utilities Compar

## Memphis Democrat



THOSE in thit city who are out of vork, without any proppect of



 There in fo dent to be had
Thero in no cortuinty that the Red Croun will diatribute sid. On the other hand, indications. point to the faet that thit orgsatization
will remain inactive. It will be remembered that thousende of doll. on were spent in the county in the wioter and arrly spring and it
otands to rosen that unient peatilence or floods thould prevail this With the enave will not be reopened. monte, it thand demands made upon the city and county sovern-
 Regerdeoup of what price ingency case.

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oomehow, to tide th

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THE barter plan that han beea wessoted for Hall County and that
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and any information concerning the plas they the will bo be ged to to furaith.
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the dompo of the river bottom, hoer the egroting noices. of the bull

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ANNOUNCEMENT ITSA A GOOD PLAN



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fore oricinatiog the ples, if it ib, it roality, hit ound broin-child.
 SHAVE AND A HAIRCUT

That's what it used to be-now the m Barber Shop, such as ours, grooms yo til you hardly know yourself.

## Give Us A Trial

Announcing that V. J. Hart charge of the Memphis Hotel Barber having moved from the Pounds Hotel ber Shop. He will be assisted by Bob B

We Guarantee All Our Work.

## PLASKA

5

## Announcing. . . . . GEORGE CARTER

Has Taken Over The Management Of Panhandle Service Station I

Where he will be pleased to meet his many friends, old and new customers. the car acts contrary, bring it in for a grease job. Remember, we fix flats and plenty quick service.

Noxless Green Gas, Panolene and Amalie Motor Oils Give You More Power, Better Satisfaction, Less Worry and Make That Engine pull "like nobody's business.

We Never Close-24 Hour Service


Ride on Hoods and Forget Tire Worries
Hood is not "just another tire." It is a well-constructed casing de signed to meet present day driving conditions, AND IS BACKED BY OUR PERSONAL GUARANTEE. We are selling Hood Tires with the understanding they areto give you just as much mileage as any other 6 -ply casing, or more.

## G. K. Wilkinson, Agent





