

The Evening Herald.

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THE CASE OF EL PASO.

THE Herald presents today a statement regarding the conditions surrounding El Paso's municipal water plant; its cost, its operating cost, its cost in tax levies. Feeling that the time has come for facts and facts only, in regard to municipal water works finance and conditions, the Herald sent a representative to get the facts there. This was done because El Paso's experience has been cited here both for and against municipal ownership; and because conditions there and here as to water production and distribution are very similar. They were even more nearly alike five years ago, when El Paso bought its water plant—particularly as to the size of the cities and as to the relative condition of equipment.

The facts stated by our representative are simply facts and no more. They are not presented in any controversial form or disposition. They are given for the information of taxpayers of this city who are to decide a question fraught with the utmost importance to the city's welfare.

These things are made clear.

First: That El Paso has an efficient water system, managed without the conspicuous inefficiency so often found in municipal utilities—and clear, free of taint of graft; that its pumping and distribution systems are modern and have been reduced to the lowest possible cost.

Second: That this system has cost El Paso approximately \$2,000,000 the bulk of which is outstanding bonds on which the taxpayers must pay 5 per cent interest—and the sinking fund charges.

Third: That even with this investment, this efficiency of plant and abundance of supply, El Paso under municipal ownership is paying as much for water as it did under private ownership—that during two years it paid more than under a franchise—and that the taxpayer in addition to his own private water bill, which shows no reduction, must help pay the city's bill of \$39,000 a year—and the bond and sinking fund bill on account of water works investment, of approximately \$50,000 more.

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The taxpayer, whose burden in Albuquerque already is sufficiently heavy, may well consider these facts in making up his mind as to voting for the proposed bond issue.

There should be no mistake in the mind of any taxpayer about this \$400,000 bond issue. If it is voted the money will be spent. Among the qualified voters of Albuquerque—non-taxpayers—the sentiment favoring municipal ownership is about four to one. There is no reason why a non-taxpayer should be against municipal ownership. He stands to lose nothing—to be charged with nothing—and to get some benefits if things go right.

No political government, municipal or otherwise, will stand against the demands of a fair to one sentiment of qualified voters—whether taxpayers or not. If the taxpayers of this city vote the \$400,000 bonds, every dollar of those bonds will be issued—and spent. And if we are to draw any inference from the case of El Paso, we will not step in our water works bond issue with the purchase price or construction price, or whatever the first cost may be named. We will find it necessary to pile bond issue onto bond issue—and we may get cheaper water if we do much luckier and much more efficient than El Paso has been, where the most efficient plant in the west, clean management and public spirited service have failed to lower the rate to the consumer, while almost doubling it to the taxpayer.

The Herald will have some further facts to present to the taxpayers of Albuquerque before this bond election. But we'd like you to think over

THE LOGICAL HEAD OF IT.

SO MANY historical things have happened in and to the Republican party of New Mexico that it is with genuine pleasure one discovers something connected with it that is logical.

We have the word of the Las Vegas Optic for it that

Romero—is becoming recognized as the logical man to head the Republican ticket this year. The Optic made this discovery immediately after Guadalupe county Republicans had endorsed Sec.

It looks as if the Optic were right. In view of the record, history and tradition of the Republican organization in New Mexico, Sec. Romero undoubtedly is the logical man to head its ticket—and it looks very much as if he might do it, too. (To be continued.)

GETTING LOCATED.

THE campaign progresses apace. Here is some locating, done by the Clayton News, as follows:

The Santa Fe New Mexican and the Albuquerque Morning Journal are quarreling over their different and diverse views concerning men and policies in New Mexico. The Journal prefers Hubbell and what he stands for to Catron and his record; the New Mexican prefers Catron and what he stands for to Hubbell and his record. In our opinion these stated preferences will have no bearing on the result; because the people of New Mexico prefer a good clean man of ability to either of the aforementioned Jimmy politicians, who have neither the ability or soundness of views to properly represent anybody or any constituency.

We do not know just what the News means by a "Jimmy politician," unless it means something else, but it is a real pleasure to get the powers behind these two strong candidates definitely singled out and located in one spot.

A CHANCE TO BACK IT.

URING the past year or two we Albuquerque people have voiced our loyalty to the University of New Mexico on a number of enthusiastic occasions. We have declared our intention to back the University in all its works. We have meant every word we said—when we said it.

Monday night we will have an opportunity to make good on our verbal showing of loyalty. The University at considerable expense has brought here a debating team from a California university. It is the first interstate college debating contest on record for New Mexico.

The debate is at the high school auditorium at 8 o'clock Monday night, March 21th. Let us go up and cheer. It is an occasion when active support for the University will be worth hard dollars to the prestige of the institution.

AMERICA'S FIRE TAX.

IT HAS been a favorite subterfuge with us in former times, when running short of "editorial ideas" to take Leslie's Weekly and oppose some one of the political arguments advanced therein. We did this because the arguments advocated so invariably were of the blackest of stand-pat Republicanism. However, once in a while we run across something in Leslie's that we can endorse. This is true in the case of the following.

Every man, woman and child in the United States pays \$2 a year for fire waste. If on a certain day of the year a government official should go to the average family of five persons and present a bill for \$12 as the annual fire tax of the family, they would be a universal protest against the tax and against the carelessness which makes possible a yearly fire waste of \$250,000,000 in this country. Big manufacturers and big merchants know that the fire expense to which they are subjected is a drain on all the people, but because it is indirect the average person is not conscious he is paying a tax. Let the masses once realize that every time they buy a hat, a pair of shoes or a suit or clothes or anything which goes through the regular channels of industry, production, distribution and exchange, they are paying a part of the country's enormous fire tax, and the proportion would become the order of the day.

Our fire waste seems especially shameful when placed in comparison with that of Europe. The federal department of commerce and labor shows that the average annual per capita fire loss in six European countries is 22 cents, compared with \$2 in the United States and \$2.91 in Canada. Boston two years ago reported an annual fire loss of \$2,000,000, while the fire loss of Glasgow, though larger than Boston, was less than one-sixth of this amount. Chicago's fire loss was \$5,000,000. Berlin's only \$175,000, and although cities of the same size, Chicago's fire department cost ten times as much as Berlin's.

Municipal Ownership of Waterworks in El Paso, Texas

FACTS AS TO PURCHASE, EXTENSION AND OPERATING COSTS, WATER RATES AND TAX RATES RESULTING FROM MUNICIPAL OWNERSHIP THAT ARE WORTH CAREFUL READING BY ALBUQUERQUE TAXPAYERS

EL PASO'S municipally owned water system has been used by 100,000 gallons in the city, as an example of low water rates and public and private economy to be had by public ownership of water works. El Paso a municipal plant has been used, also by those who are opposed to municipal ownership for Albuquerque, to prove statements to the disadvantage of municipal ownership for this city. Both uses have exhibited a very apparent lack of accurate information.

Because El Paso's case has been used by both sides, because the time has come when facts are needed here in connection with the pending bond issue for municipal ownership, and because the conditions surrounding the production of the municipal water supply in El Paso are more nearly like those existing here than can be had in any other city or town in the country, the Herald sent a representative to El Paso this week to get the facts as regards cost of the El Paso plant, first cost and supplementary cost, the cost of operation, cost to taxpayers and cost of water to consumers, under municipal ownership.

Below the result of this inquiry is given in a statement as plain and as brief as possible. Only statements of fact are presented, and these may be verified easily by a similar inquiry in El Paso where city authorities and water department officials show courteous readiness to explain every aspect of the water supply. Figures, which are quoted are from the records of the El Paso water department and from the city auditor's records. These are on file in the Herald office, together with much supplementary information for which there is neither space nor place in this statement. The statements following are not presented as an argument for or against municipal ownership of water works, but simply as a showing of fact for the information of taxpayers of this city who are shortly to vote or refuse to vote an issue of \$400,000 municipal water works bonds. The writer is neither an engineer, nor a water works expert, and the statements made either are facts clear to any observing layman, or matters of official public record.

In beginning it should be stated that the El Paso water department is an efficient organization, directed by a thoroughly competent El Paso business man who holds the office of superintendent by appointment of the mayor. In addition to a detailed political influence appears to have been eliminated. The system in its direction and in its physical equipment is a model of modern, low-cost and high-measure efficiency.

The El Paso water pumping plant is located just beyond the Fort Bliss military reservation, six miles from the heart of the business section, extending residence district. It is on the mesa overlooking the city and the supply is drawn from several chains of wells driven to an average depth of 500 feet but encountering various water tables at and below 200 feet. The pumping plant is equipped with twin oil combustion engines, the Fiat model, rated at 250 horse power, built especially for this plant and installed at a total cost of \$110,000. These engines are regarded by experts as the highest type of efficiency for water lift and are so economical in fuel that they have reduced the consumption of fuel oil per 1,000 gallons of water pumped by the El Paso plant to about one-third the cost of the old steam plant, the latter being used as a supplementary plant for emergency, rush hour and rush season use. The water department's construction program calls for a second unit consisting of two more of the Fiat type, 250 horse power engines, which are to be installed as soon as funds are available. The plant has a 24-hour capacity of 14,000,000 gallons and El Paso's average daily consumption is a trifle over 8,000,000 gallons at this time. The water supply is absolutely pure and is protected as the well supply, and the distribution system so as to be absolutely proof against both contamination and waste. Every supply installation in the city is metered, including the city's own municipal taps for all purposes, which are charged and paid for as other water service is paid for.

It is clear then, that El Paso's water supply in being furnished so efficiently and so economically as pure water can be furnished to that city. The fact is that El Paso's water rates for both small and large consumers, are lower than those of any other city in the state of Texas, big or little. They are lower than at Houston, Dallas or Fort Worth. They are lower than those of Texas cities which pump their water direct from adjacent rivers.

El Paso's Water Rates. The water rates in El Paso were fixed by franchise at 70 cents per 1,000 gallons. Since the city took over the plant in 1910 they have fluctuated, but have never been below 50 cents per 1,000 gallons. During the 10 years of the municipal ownership the rate has been advanced to 30 cents per 1,000 gallons. This was during heavy construction periods.

At present and during the past year, the rates are as follows:

Within the city limits, 20 cents per 1,000 gallons—the rate offered to Albuquerque under the terms of a proposed franchise.

A minimum charge of 80 cents for 4,000 gallons or less—compared with the present minimum franchise charge in Albuquerque of \$1.50 cents for 8,000 gallons or less—something above the minimum charge fixed in the franchise proposed here.

Outside the city limits the service is 30 cents per 1,000 gallons, with 200 minimum charge. El Paso's export rate fixed by franchise and it is actually estimated that from thirteen to twenty thousand El Pasoans live outside the corporate limits. The theory of this charge is that persons outside the city limits do not aid in bearing the tax burden for water works

and therefore should pay the city a heavier profit for water. The water works are being used for 100,000 gallons in 15 cents per 1,000 within the city limits and 20 cents to those outside.

The city makes all connections from mains to property lines, but the property owner pays for it.

The city government pays the water department for every gallon of water used, upon the basis of the 100,000 gallon rate, or 15 cents per 1,000 gallons. There is no free water in El Paso for city or any other purposes. Parks, sprinkling wagons, all departments of the city government pay the water department as does any private citizen. Upon this basis the city during the first six months of the fiscal year ending March 31, 1916, has paid the water department \$27,679.94. The city's water bill for municipal purposes, paid from tax budget, has averaged \$20,000 a year since the city bought the plant.

History of the Plant. To understand the water bond situation in El Paso it is necessary to refer briefly to the International Water company from which the city purchased the plant in 1910.

A long and bitter fight preceded this purchase. Differences were created which have not wholly died out to this day. Homes every where displayed and one violent death is traced, epidemic which cost many lives, more or less was charged to the water supply and later shown by the foremost sanitary expert in the United States to have been due to one milk supply source. The company, operating under a franchise which required a maximum rate of 20 cents per 1,000 gallons, was forced to sell the plant at a rate of 36 cents on the basis of production cost. Caving wells, a condition which the municipal government now understands through costly experience, made the mesa water supply difficult. "Things came to a point when city citizens are" against the water company, regard of other considerations. It became a personal struggle.

It was worth something to El Paso to end a conflict which was disrupting its business interests, and that the conflict was ended is a consideration which plainly figures in the water bond issue they give of the relative merits of municipal ownership.

The International Water company had at the time of the city's purchase, \$477,000 of first mortgage bonds, held by a Chicago banking house. To protect these it was necessary to create the water bond issue, to be sold to the city by the city of El Paso, and the water company, by its attorney, water department superintendent and the chairman of the water board of the city of El Paso, succeeded in obtaining the bonds.

The El Paso water department charges for each well and pays the interest and sinking fund requirements of the \$477,000 first mortgage bonds. This is the only interest and sinking fund charge appearing on the balance sheet of the water department—and in fact is the only interest and sinking fund charge which the water works pay.

Cost to the Taxpayer. The remainder of the city's bond obligations assumed on account of the municipal water plant, a charge set up direct to the taxpayers. They do not appear in any financial report of the water department, and their absence therefrom makes it possible for the water department to show a net annual profit over and above operating cost and interest charges that has been about \$50,000 a year for the past three years. For the first six months of the present fiscal year this net profit—after deducting regular municipal water bond interest and sinking fund—has been \$25,000. These "net" profits to the plant as part payment on the enormously costly extensions which the water department has had to make to meet the growing city demands. But even so re-invested they would represent a mighty nice profit on operations—but for the fact that the taxpayers annually put up a bill of around \$9,000 for interest and sinking fund charges on the city's additional bond issue for water works purposes of \$175,000.

It should be understood that there is absolutely no concealment or effort at concealment of this element in the method of releasing the water works bonds are there. The people voted them and the taxpayers pay the interest on them, each one being specifically set forth on each year's tax levy certificate. The only reason that could be advanced for not charging this water bond interest and sinking fund charge was that the water works statement looked better without that \$25,000 expense item—so they let it show on the tax receipts and thereafter forget it. It was explained that there is no harm done. The taxpayers would have to pay it anyway.

Water Bond Obligations. El Paso's water works bond obligations are as follows, to date:

First mortgage bonds, assumed when city bought plant, 10-year 5 per cent (carried by water department) \$ 477,000.00

Water works issue No. 1, purchase, October 1, 1910, 10-year 5 per cent (interest and sinking fund by tax levy) 275,000.00

Water works certificates, 10-year 5 per cent (since purchased by the municipal treasury as sinking fund asset) 50,000.00

Total \$ 802,000.00

El Paso's assessed valuation for 1915 (basis of 60 per cent) was forty-six million, six hundred and forty-nine thousand, four hundred and fifty dollars (\$46,649,450.)

El Paso taxpayers, therefore, paid interest and sinking fund charges on account of the water works last year of \$28,265.00.

El Paso taxpayers, therefore, in addition to their water rate of 20 cents per 1,000 gallons, the same rate which they paid under the old franchise of the International Water company, pay in taxes: For interest \$28,265.00 For city water used (approximately) 30,000.00 Total \$58,265.00

construction bonds, December 1, 1912; 40-year, 5 per cent (interest and sinking fund by tax levy) 200,000.00

Water works issue No. 2, construction, April 1, 1914; 40-year 5 per cent (interest and sinking fund by tax levy) 150,000.00

Total water bond debt, \$1,252,000.00

Separate tax levies, to provide for interest and sinking fund for the above (except for the \$477,000 first mortgage bonds, carried by the plant), are as follows:

Issue Levy No. 1, Purchase \$275,000 6562 No. 2, Construction \$200,000 4,900 No. 3, Construction \$150,000 3,225 No. 4, Certificates \$50,000 914

Total \$475,000 1249

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El Paso has invested in its water plant in the five years of municipal operation:

By bond issue \$1,252,000.00

By general fund as of January 31, 1916, 484,790.00

In earnings of plant (at least) 150,000.00

The water department balance sheet at the end of the tenth month of the present fiscal year, in fact, shows a total of \$1,848,000.00—approximately \$2,000,000. And the El Paso taxpayer is paying \$58,000 interest, \$30,000 for city water needs, and 70 cents a thousand gallons for his water. This rate is available for Albuquerque taxpayers, free of other obligation. Attention is directed to this fact because it is the real issue in the pending bond election.

Nothing stated above should be construed as a criticism of the manner in which El Paso's \$2,000,000 water works investment has been spent. It appears to have been spent with wisdom and economy. The extension requirements of El Paso have been enormous. It has been necessary to make the growth—and the city administration has been admirably under the conditions. The plant as it stands is a model. As a physical property, it has no weaknesses that a layman can see. It is said that when El Paso's city growing water can be furnished cheaper. But with this highly efficient plant water is being pumped as cheaply, probably as it will be possible to pump it for many years. For

at least thirty years interest and sinking fund charges will grow no less; and then there will be the necessity either of a very heavy charge for renewal of the plant, or more bond issues with which to renew it; for the depreciation, however, and the surplus reserved for renewal now being set aside are wholly inadequate for the purpose at the reasonable end of the life of the property. This may be corrected in later years—and it may not. But whether it is or not there is difficulty in seeing any lower water rate for El Paso for many years. Conservative El Paso business men do not see it. They say the only chance for a lower water rate is in a period when growth shall completely stop—and no El Paso business man of today can dream of such a time. It is a fact that El Paso, for its water tax burden and its 20 cent rate, is getting good water service.

The facts as to El Paso are as stated above. They are subject to easy verification.

The application of direct interest to Albuquerque taxpayers is in this: El Paso is getting a good water service at 20 cents per 1,000 gallons, and though the municipal water requirements and bond issue requirements, El Paso taxpayers are paying a bonus for that service of close to \$30,000 a year.

Albuquerque may obtain a 20 cent water rate without assuming any tax burden whatever. Albuquerque has good water service now.

Are the compensating advantages which go with municipal ownership real and far enough worth the tax burden which Albuquerque taxpayers will have to assume whether the municipal plant pays a profit or not?

On a somewhat modified scale conditions in Albuquerque are almost exactly like those in El Paso five years ago when that city bought its water plant. Feeling against the water company was high and was sufficient to cause to bind some more judgment and in some instances to bring about positive intuition and worse. It was

a matter of driving out the private interests—regardless.

El Paso, five years ago, was on the verge of a great expansion, just as Albuquerque is today. El Paso has kept pace with her expansion in every way; in her street car system as in her payments and water works, and telephone service. The 24-hour street car transfer prevails in El Paso. The service is as cheap and as good as anywhere in the country. It has cost the taxpayers nothing to get it. El Paso has as good a water system as any in the country; economically managed and efficient. Yet El Paso's water rates are no lower than in the horse car days; and the taxpayers have had quite a job in money paid out of pocket for water works bond interest.

It is said in El Paso that two influences have aided in recent development of the residence section, one the fine street car service, and the readiness of the car line to go anywhere when requested. The other is the availability of a water main extension whenever asked for. There is doubt which has helped most. The car line has cost El Paso taxpayers nothing. The water extensions have proven city boosting of a rather costly type.

El Paso, in a perfectly open and above-board way "lollies" itself into the belief that its water plant is carrying a large net profit every year—by the simple expedient of falling to make the water plant pay its proper overhead charge of interest on the investment.

These Albuquerqueans who "lolly" (Continued on Page Five)



It's true that Easter is still a month away—so late this year that many women will be seeking new equipment in gowns and gloves, hosiery and handkerchiefs,—special finery for Easter Day.

Just Rememaer, this is a Store Exclusively for Women

and that for occasions like Easter it is our business—to our interest and yours—to have what you want. IN THIS REGARD WE HAVE ATTENDED TO OUR BUSINESS. WE HAVE WHAT YOU WANT.

Kistler, Collister & Co.

ALBUQUERQUE'S DRY GOODS SHOP

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These Albuquerqueans who "lolly" (Continued on Page Five)

We are Opening the Books on a New Era of Stove and Range Prices

Today we are unloading a car of stoves and ranges bought and to be sold at the new prices to which war conditions have driven all manufactured metal articles.

Room Must be Had for These New Goods and to make it we must sell our stock of stoves and ranges on hand.

They are good stoves—good ranges—we sell no other kind. They will be sold at below the war prices and at those prices the few we have on hand will not last long.

These are days when new prices are being written into the cost books of every first-class furniture store—prices that are radically advanced. No more radical advances have been made than in stoves and ranges.

It is an exceptional opportunity now offered you to get reliable goods from a reliable house at prices that cannot be duplicated—that we ourselves cannot duplicate after these are gone.

In the face of advances that have affected every line of furniture and home equipment, this store, because of large buying power, liberally used months ago when the first touch of the war influence began to be felt in our line, is able to supply you with all the standard, necessary articles for your home at prices for which no furniture house, large or small, can now buy the goods.

Remember this house specializes in the needs and tastes in house furnishings, of the every day home; the average home that requires durability, quality,—without undue extravagance.

Geo. C. Scheer Furniture Co.

314-316—SOUTH SECOND STREET—317-319