$1.10 Gas Rise Bill Is Vetoed by Mayor

Continued from Page One

in the preambles for appointing a commission to make a survey of the property and present operation of the Philadelphia Gas Works, under supervision of the Mayor, and to make a report to Council and the Mayor prior to April 1, 1921, of their findings and recommendations, in the light of recent developments in the gas industry, to enable Council to pass upon and determine the question of permanently changing the candle-power standard to the heat unit standard and, if such change be recommended, the terms and conditions upon which it should be made, and to outline a permanent policy and plan for the city to pursue in the future development and operation of the Philadelphia Gas Works.

"Accountants and assistants to aid the commission in its inquiry were provided for in the ordinance, and an appropriation of $25,000 to meet the necessary expenses was provided.

"This ordinance (December 13, 1920), contemplating consideration of a change of standard as requested by the company, and a broad and comprehensive inquiry as to physical property and methods of manufacture in the event the city must operate the works or find a new lessee, was approved by the Mayor who appointed as commissioners Milo R. Maltbie, chairman; W. W. Hine, secretary, both of New York; Charles Day, Thomas F. Armstrong and Howard R. Sheppard, of Philadelphia, which appointments were subsequently confirmed by the Council.

"The commissioners entered upon their work, examining witnesses, books and property, in Philadelphia and elsewhere. Their investigations continued steadily from the date of their appointment in December, 1920, until, after an extension of time granted to them to make further inquiries, they reported May 19, 1921.

Praises Commission Report

"Their report embraced 171 printed pages and constituted what is regarded by experts as an exceedingly valuable contribution to the facts and literature on the subject of gas. What the commission did was what the Mayor and the Council directed they should do, in the interest of the city and the consumers, as well as the United Gas Improvement Co.

"Along with their detailed report and their schedules, which constitute an interesting chapter in the history of finance and gas-making, they submitted specific recommendations, many of them plainly in the interest of the city and the gas consumers, without being unfair to the United Gas Improvement Co. In fact, their figures and statements were publicly stated to be accurate by the president of the United Gas Improvement Co. at a hearing held in the Mayor's office.

"These recommendations, however, based as they were upon an inquiry sought by the United Gas Improvement Co. and sanctioned by Council and the Mayor, have been totally ignored in the so-called emergency ordinance recently passed by the Council and now submitted for the Mayor's signature.

"In the opinion of the Mayor, these recommendations of the Gas Commission were of great importance, in the matter of time, economy and efficiency, and should have the most careful consideration. Briefly stated these recommendations were:

"First. The continuation of the 580 British thermal unit heating value as the standard of gas quality, with power conferred upon a regulatory body to change such standard if conditions in the future so require.' As to this recommendation the commission was of the opinion that, considering its other recommendations, the standard suggested would provide 'a better and less expensive gas per heat unit than that required by the 22-candle-power standard,' a suggestion overlooked in the pending ordinance, which raises the standard from 530 British thermal units to 600 British thermal units.

"'Second. The establishment of adequate requirements and regulations as to impurities testing of gas and meter inspection.' It is evident that some regard to the pressure of gas now complained of as sputtering and inadequate, but not provided for in the contract of 1897, would be an advantage to the consumer, but this recommendation is also not considered in the pending ordinance.

"'Third. The continuation of the United Gas Improvement Co.'s present policy of examining and adjusting appliances at reasonable intervals without expense to the consumer,' a recommendation not considered in the pending ordinance.

Important Point Ignored

"'Fourth. The extension of the works manufacturing facilities and their adaptation to present condition.' The commission found that the twenty-two-candle-power standard affecting only about 5 per cent of the gas consumers, is a very expensive process considering modern generating facilities and unnecessarily keeps up the price of gas to most of the consumers. It added 'large expenditures must be made within the next few years for additional facilities to meet the growing demand for gas. If this money is expended as required by the terms of the present lease, the city will have taken a step in the wrong direction, and substantial loss and injury will result. It is imperative that the plant should now be developed along the proper lines if the lowest ultimate cost of gas is to be realized for the benefit of the consumer.' This very important recommendation looking to the future of the gas problem from the city viewpoint is not considered in the pending ordinance. Neither is the fifth recommendation for

"'Fifth. The construction of a modern coal gas plant as an addition to the existing property,' a matter of putting the city's house in order for future business; nor the sixth recommendation for

"'Sixth. The extension of the distribution system to areas entitled to gas service, and possible improvement through additional high-pressure transmission mains,' a matter of serious consequence to many of the outlying districts like Somerton, Bustleton and Byberry, which are not now supplied by the United Gas Improvement Co.

"In regular order and looking to the future and particularly to the termination of the lease, the commission recommended consideration of:

"Seventh. 'The immediate preparation of plans for these additional facilities so that the cost of gas may be reduced as promptly and as rapidly as possible.'

"Eighth. 'Provision for securing from $5,000,0000 to $6,000,000 within the next fifteen months, and from $10,000,000 to $15,000,000 additional within the following five years to pay for these new facilities,' a matter of consequence if the lease should terminate suddenly or at the expiration of the thirty-year period.

"Ninth. 'Recognition in the new lease of only a portion of the amount which the United Gas Improvement Co. claims as its unamortized investment in the property.' The question of amortization of the company's investment or of the provision of new capital by the city being unsettled, would, in view of the approach of the expiration of the contract or postponement of consideration for a year as is possible under the proposed emergency ordinance, be extremely disadvantageous to the city.

Concession to the U. G. I.

"'Tenth. Cash compensation to the city of $4,000,000 annually, and the continuance of free public lighting and street-lamp maintenance,' this being a concession to the United Gas Improvement Co. in the matter of its graded rental payments, as provided by the existing contract.

"'Eleventh. The retention of the present price of $1 per 1000 cubic feet until a new lease has been negotiated and a new price established.' The commission stated that upon the basis of current costs, the price for gas would probably fall between $1.05 and $1.10 per 1000 cubic feet, although it predicted a decline in prices of materials used in production. The proposed emergency ordinance jumps the rate from the $1 suggested by the commission to $1.10 per 1000 cubic feet.

"The twelfth, thirteenth, fourteenth and fifteenth recommendations of the commission suggested in order:

"Twelfth. 'The creation of a municipal regulatory body with power, under limitations prescribed in the lease to fix gas rates, to determine the operator's compensation, to regulate service, to prescribe systems of accounts, to approve the issuance of securities, to pass upon all plans for the extension and alteration of the gas system, to audit accounts, to disallow improper expenditures and to examine the property, accounts and records of the operating company. The present lease has proved inelastic, ill-suited to changing conditions and poorly adapted to protect the interests of the public upon the one hand and to assure fair treatment to the lessee upon the other. A regulatory body with adequate power and responsibility should be effective and should produce satisfactory results.' No such regulatory oversight was provided for in the contract of 1897; nor is it provided for in the pending ordinance.

"'Thirteenth. The reservation to the city of the right in the new lease to terminate the agreement at any time upon reasonable notice,' a provision clearly in the city's interest.

"'Fourteenth. The establishment of an accounting system maintained by the operating company so as to show currently the cost of the property, the securities outstanding against it and the condition of reserves which is not now provided for by the existing contract.'

"'Fifteenth. The continuation of the present heating standard pending the preparation of a new lease.'

Recommendations Well Made

"All these recommendations of the commission come directly to the point. They are in line with the instructions to the commission as embodied in the ordinance creating it. But they are disregarded in the pending ordinance. Nor has consideration been given to the offer of the commission to co-operate in an endeavor to work out an outline of a contract embodying these or other recommendations, for submission to the Council and the Mayor. It will thus be seen that the emergency ordinance, granting direct and not conditional relief to the United Gas Improvement Co., is not in the interest of the city or of the consumers of gas.

"The additional twenty-five cents per thousand cubic feet is an arbitrary fixing of relief not based on any facts shown by the company or the commission. It not only reduced rental to the city to ten cents per thousand cubic feet, but increases the burden of the consumer by ten cents per thousand cubic feet.

"It does not conform to the original proposal of the United Gas Improvement Co. nor to the provisions of the ordinance of Council, approved December 13, 1920, which clearly anticipated the protection of the city's interests as well as those of the lessee, the United Gas Improvement Co.

"Nor does the Mayor observe any good and substantial reason in fairness or equity why, without regard to the far-seeing recommendations of the Gas Commission, specific financial relief as contemplated in the pending ordinance should be granted without consideration or negotiation, for the period of one year.

"The United Gas Improvement Co. has been a wonderfully successful organization. It has had the benefit of the City's property as a basis for larger operations that have been extremely profitable. Its transactions with other companies and subsidiaries have been so extensive and numbers that the Gas Commission reports its inability to fully determine from the company's books just what credit should be given to the operation and products of the Philadelphia Gas Works as leased, or what charges may in some instances appropriately be made against them.

"A remarkable statement of the company's activities appears on page 87 of the Gas Commission's report. These figures have been verified by the company itself. They show that the operating revenues of the company for the twenty-three years from 1897 to 1920 inclusive were $102,843,489.21. The operating expenses, taxes and uncollectable bills amounted to $105,886,234.49, making the gross income $86,957,254.72. From this gross income—a compliment to the management and productivity of the works—rental was paid to the city to the amount of $32,206,792.36.

Company's Big Income

"In other words, the use of the city property produced for the company a gross income equal in value to 45.73c upon every 1000 cubic feet of gas sold to Philadelphia consumers, while the city received as a rental for the property it had leased, 16.94c per 1000 cubic feet.

"Of the gross income of $86,000,000 plus, for twenty-three years' successful and profitable operation, the company set apart to be paid in interest on Equitable Co. bonds, $8,593,800; dividends on Equitable preferred stock, $4,250,000; dividends on Equitable common stock, $4,250,000; amortization, $13,691,500, a total of $30,785,300, which the company paid back to itself and to its stockholders and bondholders, whereas, the Gas Commission, on Pages 78 and 79 of its report ,shows that the total cash paid in on stocks and bonds was $6,200,000, although the company claims on amortisation account to have paid into the enterprise in one form or another for alterations, betterments and the like, to keep the works up to date in compliance with the contract, a total of abou t$25,800,000.

Eleventh-hour protests against the $1.10 gas ordinance were received by Mayor Moore just before he sent his message to Council.

The Mayor conferred this morning with Milo R. Maltbie, chairman of the Municipal Gas Commission, and Thomas F. Armstrong, a member of the commission. City Solicitor Smyth was present.

A resolution was received from the South Street Business Men's Association, urging a veto of the ordinance, which would boost the price of gas from $1 to $1.10 a thousand cubic feet. The association said the measure "proposes to give the U. G. I. Co. more than it is fairly entitled to."

The Mayor found time to talk for a few minutes to Colonel W. P. Barba, chairman of the Public Utilities Committee of the Chamber of Commerce. The gas issue was discussed.

Colonel Barba recently wrote to the Mayor, saying he favored further consideration of the Gas Commission's report.

A short time before the session opened the Mayor conferred with Richard Weglein, president of Council, and Councilmen Connell, Buren, Develin, Patton, Roper, Horn, Von Tagen and Gans. These nine members, upholding the Mayor, could block a move to override a veto of the gas measure.

PATROLMAN NABS OWNER OF NOVEL MOVING STILL

Owner of Mysterious White Bag Had One Customer Too Many

The still business is moving.

In fact, it moved in spirited fashion this morning under the direction of Joseph Griski, Lehigh avenue and Webb street.

Griski was in so many places this morning that his activity attracted the attention of Patrolman Charles Ash, who noticed he was carrying a large white bag over his right shoulder.

Although the morning was very young, Griski had quite a number of appointments. They were usually along vacant lots and in the shadows of deep doorways. At such places he met mysterious, frowsy-looking men. They greeted Griski with a lingering handshake. Then Griski swung the bag around so that it was quite near the mouth of each man whom he met. The man appeared to commune softly with the bag. Then he drew the back of his hand across his mouth.

When Griski reached a lot near Lehigh avenue and Edgemont street Ash arrested him. Magistrate Campbell at the East Girard avenue station, held him in $300 bail for court. The bag contained a whisky still with an original spigot contrivance through which the liquor flowed.

CITY TO FIX "DANCE FLOOR"

Several small holes on Moyamensing avenue between Reed and Wharton streets, where a public dance was held Tuesday, are to be repaired in a day or so by the Highway Bureau.

SENATORS APPROVE LOAN FUNDING BILL

Favorable Report Ordered on Measure Giving Mellon Blanket Authority

ALLIES CAN DELAY PAYING

By the Associated Press

Washington, July 28.—Favorable report on the Administration Bill giving the Treasury blanket authority to conduct negotiations for the funding of the Allied debts was ordered today by the Senate Finance Committee. It carries a committee amendment requiring that the funding be completed within five years.

Prior to this action, Secretary Mellon formally advised the committee as to his views regarding the extent to which the United States had been committed under the Wilson Administration on deferment of payments of Allied war loans and interest.

The Government was committed, he said, to postponement of interest payments for two or three years, and subsequent spreading out of postponed payments "contingent upon such foreign governments carrying out with reasonable promptness after this Government is ready to proceed a satisfactory funding of existing short-time obligations to this country."

Mr. Mellon added that he did not think any obligation had been imposed on the Government through negotiations in London between Mr. Rathbone, of the Treasury, and a British official, frequently discussed in Finance Committee hearings.

WILLS PROBATED

Private bequests were made in the wills of Archibald Dornan, Jr., 433 South Fiftieth street, $8800; John Hughes, 1126 McKean street, $14,000; Jessie Moore, who died in Cleveland, O., $13,000, and Eugieson Robb, who died in Nantucket, $3500. These wills were probated today. Letters of administration were granted for the $4000 estate of Lulu K. Kauffman, 748 North Forty-third street.

A Sail Rig

for your motor boat. You can't carry a complete set of spare parts against motor trouble, but you can have a sail aboard for use if your motor goes floole.

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A BEAUTIFUL hand-painted Basket of Fruit! What gift will your week-end hostess appreciate so much? At the store of Henry R. Hallowell & Son, Broad Street below Chestnut, you will find a wonderful selection of new baskets, painted in the most delightful colors, colors which blend marvelously with their luscious fruits. It is a gift which is bound to give pleasure. These baskets, filled with delicious Georgia Peaches, beautiful Plums, juicy Bartlett Pears, Alligator Pears from Florida and wonderful hot-house Grapes from Belgium, are constantly being sent by persons who have tried and know the value of Hallowells' guaranteed-perfect-delivery service to points as far distant as 1000 miles from Philadelphia.

THE housekeeper takes as much pleasure in good-looking utensils for the kitchen as she does in attractive china for the dining room, especia ly when these utensils are constructed so that they are as practical, durable and easy to use as the Aladdin Aluminum Ware. The store of J. Franklin Miller, 1612 Chestnut Street, is at present having a sale of which you will do well to take advantage. The 3-qt. aluminum saucepans usually priced at $2.15 are now $1.45, the 5-qt. tea kettles are reduced from $6.40 to $4.25 and the 2-qt. double boilers from $3.75 to $2.45. Besides these articles included in the sale you will find many others at Miller's, such as ice cream freezers, electric fans, thermos bottles, refrigerators, fireless cookstoves, etc., particularly adapted to summer housekeeping.

THERE is nothing among your household requisites which lasts longer than silverware. It is therefore advisable for you to take plenty of time in making your selection. The house of Bailey, Banks and Biddle Company has some new designs which are very beautiful and which you will do well to examine. These new patterns not only include the flat silver but the silver services and separate pices as well. If you are contemplating furnishing in the autumn, and are at present out of town, why not let Bailey's send you some photographs which will assist you later in the autumn when furnishing your home? I am sure when the time comes for purchasing you will be glad that you have already given the subject careful consideration.

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A SAFE, sanitary, fire-proof ceiling—in perfect harmony with ecclesiastical and educational requirements.

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Each generation we read more, and transact more business by means of the printed word.

Advertising as we know it today is a new business—some art and some science. But the principle is basic and very simple.

Given a good product of wide appeal, then an attractive, honest and repeated description in reputable publications; the public reads, tries, and if satisfied, continues as consumer.

The principle of advertising is as simple as reading was to Livingston.

Time and repetition are of the greatest importance.

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And today or tomorrow we like best those we know best.

Butterick—Publisher

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By Joseph C. Ferguson, Jr.
Our Next Talk Wed., Aug. 10

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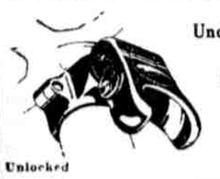

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$50.00 Worsteds and Serges	$33.34	$25.00 Imported Scotch Braemars	$16.67
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This event differs from the usual clothing sale in these respects: (1) The original, closely marked price remains upon each garment. Deductions of one-third made at time of purchase. (2) Our entire stock is included without reservation and without addition. (3) The fabrics, styles and workmanship are of the high type for which the Kirschbaum shops are nationally known.

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