

BETTER PLANT PLEDGED BY GAS FIRM OFFICIAL; REPORT TO OPPOSE TROLLEY UTILITY

Prospect-st Branch Shifts Considered; Natural Supply Debated.

The Citizens Gas and Coke Utility today stood pledged to a program of changes in operation of the Prospect-st branch for greater efficiency and a full consideration of the benefits which might be derived from adopting natural gas.

The utility board of directors, trustees and General Manager Thomas Kemp, heard a statement read to Indianapolis business men at a meeting of the Rotary Club yesterday by D. J. Angus, utility director.

"The city of Indianapolis is fortunate in being able to take over a gas and coke utility under conditions which permit it to be operated just as efficiently as any private business without the interference of those national agencies that so often wreck financial enterprises," Mr. Angus said.

No Political Influence
"Any vacancy in the board of trustees in charge of the affairs of the utility is filled by men chosen by the remaining trustees and there is no opportunity for political influence to affect these appointments."

"The directors, in active charge of the utility affairs, serve because they feel it is a civic duty and because they want this venture in municipal ownership to be a success."

"When the city took over the plant in September, 1935, and the present board assumed control, the net cost of manufactured gas ready to be put in the mains was 28 cents for each 1000 cubic feet. By December, 1935, it had been reduced to 19 cents a 1000 and the cost trend had remained downward, reaching 12 cents during March of this year."

By-Products Bring Revenue
"It is impossible to determine the cost of gas by adding the operating expenses, for the plant not only produces gas but also large quantities of coke, tar and sulphate of ammonia which have high market value. During the first three months of 1936, the money derived from sale of by-products paid for approximately 84% of the operating cost, leaving but 16% chargeable to the gas produced."

Explains Cost Rate
Figures in Mr. Angus' statement set the cost of operating the plant during the first three months of this year at 97.3 cents for each 1000 feet. The sale of by-products brought in 81 cents per 1000, leaving the net cost for gas at 16.3 cents.

After adding a fixed charge for operation, distribution and general expense of 56 cents, Mr. Angus arrived at a net cost of 72.3 cents per 1000 delivered to the consumer.

"The selling price," Mr. Angus continued, "averages 88.9 cents per 1000 cubic feet, leaving a margin of 16.6 cents per thousand. Beginning May 1, 1936, a 5-cent reduction was passed on to the consumer, leaving a net margin of 11.6 cents per thousand."

Natural Gas Considered
"It is believed that the fixed charges may be reduced; that further economies may be effected, the net margin substantially increased and further reductions in gas rates made."

"The close proximity of the natural gas line through the northern edge of Marion County has raised the question of whether natural gas might not again be made available in Indianapolis at a sufficiently low cost to make its use advantageous."

"The best tentative offer for natural gas that has been made the city is approximately 33 cents per

Community Civic Clubs Find \$324 Rate Inadequate, Chairman Says.

The Federation of Community Civic Clubs utility committee is to report Friday night that the agreement made between the Works Board and the Indianapolis Street Railways is inadequate to meet costs of repair on right-of-way alone, John F. White, chairman, said today.

A study of the agreement shows that numerous costs are unaccounted for, he said. "The utility has agreed to pay \$324 a mile a year for use of city streets over which it operates trackless trolleys. 'Another item to be considered,' said Mr. White, 'is the cost of safety zones, erected by the city for protection of lives. These cost the city money and they were not even considered in the arrangements that have been made.'"

Mr. White said his committee probably would suggest that the city investigate the ratio between rates being paid by taxi companies and the street car company for the right to operate.

1000 cubic feet for 1000 BTU's per cubic foot," he said.

"Natural gas containing 1000 BTU's at 33 cents is equivalent to 570 BTU's of artificial gas at 20 cents per 1000 cubic feet. The city-owned plant produced its equivalent for 16.3 cents per thousand during the first three months of 1936, and the cost trend is still downward."

"On this basis, the cost of natural gas delivered to the consumer would be approximately 92 cents per 1000 cubic feet. Prior to the recent reduction in rates, we were selling artificial gas at an average of 88.9 cents per 1000, which shows that the change to natural gas would result in a loss of 3.1 cents per 1000 cubic feet."

"Taking into account the recent reduction in rates, the loss would be 8.1 cents per 1000 cubic feet."

Atkins Confers With Group
Meanwhile E. C. Atkins, vice president of E. C. Atkins Co., saw manufacturers, said no proposals for moving the Indianapolis plant were made after his conference yesterday with Newcastle officials.

Mr. Atkins conferred yesterday with the Newcastle group after hearing the statement made by Mr. Angus at the Rotary Club meeting.

"The statement does not answer our question completely," Mr. Atkins said. "There is still no reason why industrial plants can not have access to natural gas without detrimental effect on the utility. Mr. Angus' figures include cost of maintaining a stand-by station here, but that cost would be footed by each industry rather than the gas company."

AIR TROPHY SHOWN



Capt. Guy H. Gale (above) is holding one of the trophies to be awarded in the fifth annual scale model airplane contest sponsored by the Richard F. Taylor Aviation Post 171, American Legion, at 8 Saturday night at Stout Field, Mar. Hill.

The judges, Louis Schwitzer, George W. Haskins, professor of aeronautics at Purdue University, and Burt Pond, Peru, are to make the following awards:

Silver trophy, donated by Mr. Schwitzer, for winner in junior class, up to 16 years; silver cup, donated by Stout Bros., for winner in senior class, 16 to 21 years; silver cup donated by Em-Roe Sporting

MODEL PLANE TESTS SLATED FOR AIR SHOW

Legion Post and National Guard Organization to Sponsor Events.

Fifth annual scale model airplane contest sponsored by the Richard F. Taylor Aviation Post 171, American Legion, and an air show by the 113th Observation Squadron, Indi-

ana National Guard, are to be held at 8 Saturday night at Stout Field, Mar. Hill.

The judges, Louis Schwitzer, George W. Haskins, professor of aeronautics at Purdue University, and Burt Pond, Peru, are to make the following awards:

Silver trophy, donated by Mr. Schwitzer, for winner in junior class, up to 16 years; silver cup, donated by Stout Bros., for winner in senior class, 16 to 21 years; silver cup donated by Em-Roe Sporting

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Goods Co., for men's class winners; silver Karo trophy donated by D. D. Stowell, representing Corn Products Sales Co., for winner in open class; navy trophy donated by Carl Wayne, C. E. Vogdesong and Paul Jones for best navy model and medals for second and third place winners in junior, senior and men's classes, donated by the Indiana American Legion.

More than 100 entries from over

the state have been made for the show. A loud speaker is to announce events. Capt. G. H. Gale, United States Army, is general chairman.

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