

franchises of the Carleton company now that they are for sale, and in support of this there is certainly no reason why the city should not be able to manufacture light as cheaply as a private company.

The main question for the people to consider is the price asked for the plant—is it worth the money. Undoubtedly much of it would have to be renewed in a few years at most. If the city is going into the lighting business it should do so on a basis that will not hamper the future. The aldermen, or such of them as wished, have had the privilege of examining the books of the company and are in a position to know the cost of production and the selling price of the light the difference being the margin of profit of the company. If there is sufficient margin after paying working expenses to pay interest and furnish a sinking fund for the bonds besides setting apart 10 per cent. each year on the value of the plant for depreciation, the aldermen should not hesitate in making the purchase. To reduce the matter to plain figures the Carleton, Co. should show, a surplus over actual cost of production and care of lamps of \$4,000 a year to make the investment a good one. This will strike some people as a high estimate but is fully justified by the experience of many cities and towns. The interest on the investment alone amounts to \$1,000 per annum at 4 per cent. and that is as cheaply as St. John can borrow money today. It takes about 2 per cent. per annum to furnish a sinking fund for the bonds and the depreciation as figured out by practical experience is placed at 10 per cent. per annum.

Civic ownership is the correct thing for all public utilities but governing bodies frequently fail to figure all the items of cost and give the public a wrong impression of the value of public ownership. An excellent example of this is found in the accounts of the North End light station. The actual expense per lamp during the past three years varied from \$62.26 to \$57.40 but when depreciation, taxes on the valuation of the plant and interest on the cost is added the cost per lamp is increased to \$80. per annum and the practical experience of nearly 20 years shows this to be about the correct figure.