A History of General Obligation Bonding in Logan City

Kenneth W. Godfrey

Utah State University

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A HISTORY OF GENERAL OBLIGATION BONDING

IN LOGAN CITY

by

Kenneth W. Godfrey

A thesis submitted in partial fulfillment of the requirements for the degree of

MASTER OF SCIENCE

in

Political Science

Approved:

Major Professor

Head of Department

Dean of Graduate Studies

UTAH STATE UNIVERSITY
Logan, Utah

1959
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INTRODUCTION

Borrowing is of great importance in meeting local revenue shortages. Philadelphia began the history of local borrowing by financing the construction of a water system in 1789, from a loan of $150,000. By 1843, the seventeen largest cities had an outstanding indebtedness of $125.5 million. In the 1840's and 1850's cities and counties borrowed to construct public works, and aid in the building of railroads. They defaulted on their loans frequently. In spite of the low state of municipal credit, state governments enacted general legislation by which the local governments were granted greater freedom in borrowing. But after the Civil War the heavy borrowing for current expenditures as well as for permanent improvements became so large, and the defaults so many, that irate state governments began to impose debt limitations on the municipalities.¹

Utah was no exception. The Utah Code states: "Any city of the first or second class may incur an indebtedness eight per cent of the value of the taxable property therein."

Each state has the power to set its own limits as to the debt capacity of the local governments within that state. Utah has set eight per cent of the value of the taxable property as the limitation on cities of the first and second class.

². Utah Code, Volume 2, 10-8-7, 1953.
The Utah State Constitution, article fourteen, section three states:

No debt in excess of the taxes for the current year shall be created by any city, town, or village unless the proposition to create such debt shall have been submitted to a vote of such qualified electors as shall have paid a property tax therein, in the year preceding, such election, and a majority of those voting thereon shall have voted in favor of incurring such debt.

Any borrowing over and above that expected to be received in taxes that year must have the consent of the people who pay property tax, before it can be entered into. The electorate however, cannot vote to incur an indebtedness in excess of eight per cent of the taxable property within that city.

Article fourteen, section three has forced the city commissions of the various cities and towns in Utah to submit the question of going into debt, above and beyond that which they could pay for out of tax funds collected in one year, to the electorate for approval. After this approval has been given, general obligation bonds are usually issued by the city. These bonds are bought by financial institutions and interest is paid to the purchasing institution by the city. These bonds can be paid for by increased taxation, cutting expenses or by revenue obtained from city-owned property.

The limits imposed by state governments have proved troublesome for many local governments. Property tax revenues declined in the tax limitation states and some localities could not even meet their ordinary expenditures. These local
financial difficulties were particularly acute in Washington, West Virginia, Ohio, and Michigan.\(^1\)

The growth of local expenditures required additional revenues; thus many states said that localities could issue revenue bonds. These bonds are paid for out of the revenue produced by a city-owned electric plant or other income producing property. The bonds may be retired only from revenue incurred from the utility. The people can not be taxed to pay off this obligation. The city council votes on these bonds and if passed no further vote is needed.

This thesis will be concerned entirely with general obligation bonding in the city of Logan, Utah. Many worthwhile improvements have been acquired by Logan City through the general obligation bonding method. The question of whether or not to go into debt for a certain project has caused many interesting arguments to be put forth by the Logan populace. A study of these arguments and their results is the object of this thesis.

Logan City has never had to default on any debt incurred. Its credit rating is very good. Other cities of comparable size that have had trouble meeting their obligations could profit by considering how Logan has been able to pay its debts and improve the city at the same time.

General obligation bonding is a part of the method employed for city improvement. But as before stated, these bonds cannot

\(^1\) Withers, p. 117.
be issued unless an affirmative vote of those voting is obtained from the property holders. This thesis proposes to study the issues and purposes for which general obligation bonds were needed, to find out whether or not those in favor of the bonds had good foresight. Whether those against the bonds were looking out for the best interest of Logan and the interest shown by the public, as indicated in the number which turned out to vote, will also be studied.

Review of Literature

Minutes of the City Commission meetings were studied by the writer. These minutes are recorded in several City Record Books. They have been kept from the time Logan City was incorporated until the present day.

THE TRI-WEEKLY JOURNAL was read in studying the 1902 special bond election. By 1916, THE LOGAN REPUBLICAN, a rival newspaper of THE TRI-WEEKLY JOURNAL, was operating in Logan. Issues of THE LOGAN REPUBLICAN were studied in connection with the 1916 special bond election and the 1923 bond election. By 1923, THE TRI-WEEKLY JOURNAL was renamed THE JOURNAL.

In 1931, THE HERALD, a Logan newspaper, bought out THE JOURNAL and the name was changed to THE HERALD JOURNAL. This paper was studied with reference to the 1949 and the 1957 bond elections.

The Utah Code and the Utah State Constitution on matters pertaining to city bonding were also consulted, as were books on public finance and the book The History of a Valley, by Joel E. Ricks.

Questionnaires were sent to several leading citizens of Logan and the information obtained from these is quoted.

The author talked to H.R. Pederson, city auditor, Ivan L. Larsen, county auditor, and Lee Hancey, county treasurer. They estimated that one-half of the registered voters in Cache County lived in Logan and that one-half of the registered voters in Logan would be property owners. Their estimate is used throughout this thesis. Accurate records on these points were not available.
THE SPECIAL BOND ELECTION OF JULY 14, 1902

The City Council met in special session June 9, 1902.

After prayer had been offered by Mayor H.M. Hansen the reason for the special meeting was disclosed to the council. In the words of Hattis Smith, the City Recorder:

The special committee on electric lights reported as follows, 'We believe it feasible for Logan City to establish and maintain its own electric lighting plant and we recommend that the city do establish such plant and proposed to the citizens that a special election be called to bond the city for the sum of sixty-five thousand dollars to purchase and install an electric light plant be submitted to a vote of the qualified voters of the city July 14, 1902.' Carried.

The proposal of the special committee was made known to the public in the next issue of THE TRI-WEEKLY JOURNAL.

This announcement set off a wave of excitement in the city.

Arguments and Methods Used by the City Commission

From the beginning the City Council used every available method to convince the taxpayers that they should vote for the issue. A special committee was appointed and authorized to make a report of findings to the taxpayers by means of the newspaper. This committee was made up of Lorenzo Hansen, Mayor, E.W. Robinson, and H.M. Hansen. Their report was very comprehensive. The committee reasoned thus:

If a private corporation can make money with Logan City's franchise, why can not the people? If the lights are worth thousands to them they are worth the same to the public. There is a field for nearly 4,000 lights in Logan now. These at three for a dollar equal $1,333 per month or $15,996 per year. We believe that $3,000 a year will pay running expenses. Say it takes $4,000.

The interest on $65,000, about the amount it is proposed to bond at 4 per cent, equals $2,600 per year. Now we have an income of $15,996 per year provided 4,000 lights are taken, and a visible outlay of $4,000 for running expenses and $2,600 for interest on bonds which totals $6,600 in expense. $15,996 less $6,600 leaves $9,396 profit.

To further substantiate their point the committee reported that five cities that were formally paying a private corporation for their lights had through municipal ownership reduced the cost of lighting. (See Figure 1, page 8) The report concluded with these remarks. "The greater the majority of the votes favoring it, the better the terms in selling bonds. It is therefore important that a heavy vote be cast."²

The city marshal was given the responsibility of approaching various ward bishops³ and arranging mass meetings. The marshal was instructed to report available nights to the special light committee. This special committee also employed an engineer to review the proposal and estimate the cost of building the light plant.

Prior to this time electric lights had been furnished to citizens of Logan by the Hercules Power Company. It was reported at this time that the Hercules Power Company was desirous of selling their franchise.

The June 19 issue of THE TRI-WEEKLY JOURNAL carried an article by the special committee in which they answered an article written by one "Friend". They said:

2. Ibid., p.1
3. A Bishop is the head of a Latter-Day Saint congregation, somewhat comparable to a minister or priest in other churches.
We want taxes reduced and in our humble judgment after careful inquiry we think we see a way of reducing them. Why does 'Friend' entirely ignore the list of twenty cities offered in our former report wherein a saving of more than half was realized by these cities when they assumed ownership?

This article further stated that the special committee had very good reason to believe that they could purchase the Hercules Power Company's system of distribution. Thereby they hoped to avert any competition. The question of whether or not the Hercules Power Company would sell their distribution system was of no interest. No offer of any kind had been made by the company. He was over 80 years old and every a fair offer was receive attention. The tone of the Hercules Company was not very amiable as to whether or not a city-owned plant was a solution. The mention is significant because there seems to indicate the Hercules Company was not very amiable to city-owned plants. The mention was in Logan City as to whether or not a city-owned plant was of great importance.

The mention of contracts in the letter of Mr. Bacon is also significant. The city had, apparently, been canvassed.

<table>
<thead>
<tr>
<th>City</th>
<th>Amount Paid</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bay City, Michigan</td>
<td>27.5</td>
<td>16.0</td>
</tr>
<tr>
<td>Painesville, Ohio</td>
<td>19.7</td>
<td>10.6</td>
</tr>
<tr>
<td>Huntington, Indiana</td>
<td>39.0</td>
<td>13.7</td>
</tr>
<tr>
<td>Lewiston, Maine</td>
<td>50.0</td>
<td>14.0</td>
</tr>
<tr>
<td>Aurora, Illinois</td>
<td>89.5</td>
<td>15.3</td>
</tr>
<tr>
<td>Average per Night</td>
<td>45.1</td>
<td>13.9</td>
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</table>

Figure 1. Five cities that paid a private corporation for lights and now own their own light plants, 1902. The first column is the amount paid to the corporation and the second is the amount paid for lights under city ownership (THE TRI-WEEKLY JOURNAL, May 11, 1902, p. 1)

We want taxes reduced and in our humble judgment after careful inquiry we think we see a way of reducing them. Why does 'Friend' entirely ignore the list of twenty cities offered in our former report wherein a saving of more than half was realized by these cities when they assumed ownership?

This article further stated that the special committee had very good reason to believe that they could purchase the Hercules Power Company's system of distribution. Thereby they hoped to avert any competition. The question of whether or not the Hercules Power Company would sell their distribution lines was answered by Mr. E. P. Bacon, manager of the company. He said that there were no negotiations pending and that no offer of any kind had been made to his company. He further indicated that only a fair offer would receive attention no matter how many contracts had been signed. The tone of the letter implied that the Hercules Company was not very anxious to sell their holdings.

This letter is significant because there seems to have been some question as to whether or not a city-owned plant could compete with the Hercules Power Company. The company had vast holdings, and many citizens argued that it would lower its prices in Logan and even lose money there to put the city plant out of business. Therefore whether or not they would sell their holdings to Logan City was of great importance.

The mention of contracts in the letter of Mr. Bacon is also significant. The city had, apparently, been canvassed

with contracts issued by the City Council. These contracts when signed, required the signee to purchase lights from the proposed city light plant. The city had in its possession about eight thousand dollars worth of lights represented in signatures to support the city if the light plant was erected and about six thousand dollars worth of lights represented by those who refused to sign said contracts.  

About June 9 the special committee was authorized by the City Council to offer the Hercules Power Company $20,000 for their holdings in Logan, so that the Logan plant would be free from competition. In a letter addressed to the City Council Mr. Bacon replied that the $20,000 was not acceptable to the Hercules Power Company and they would remain in business unless a better offer was forthcoming.  

This ended the matter as far as the City Council was concerned with reference to the purchase of the holdings of the Hercules Power Company. This also ended the arguments in favor of the bonds by the City Council.  

Arguments Used in Favor of the Proposed Bond Issue  

On July 3, 1902, a resident of Logan signed a letter "A" in which he made the startling statement that the city had made money when it had owned its own electric light plant years before. "A" could make this statement because there were years in which the city light plant actually made money.  

1. Smith, p. 466.  
2. Ibid., pp. 471-474
Subtracting the total money obtained from the plant while it was in operation from the total spent on the plant the city had lost money on the venture.

The contracts circulated throughout the city by the City Council raised a great deal of controversy. Some citizens thought that electric rates would go down in the future but that the contracts would keep them high in Logan. With the signing of these contracts the citizens of Logan had obligated themselves to purchase lights at the rate of three for one dollar. The cost of lighting had gradually lowered over the years and many citizens felt that it would continue to do so. They were afraid that the city, in order to pay for the plant, would make them live up to the previously signed contract, while their neighbors were purchasing lights at a lower rate from the Hercules Power Company.

A letter published in THE TRI-WEEKLY JOURNAL July 3, 1902, signed "Resident" attempted to meet this argument. He said the city is only bound by "said contract not to raise the price during the term of the contract". The owners of the plant, who were the citizens of Logan, could lower the price of the lights to 25 cents or 10 cents if they so desired, he said.

On July 10, 1902, a cheery correspondent signed "Optimist" answered some of the opponents of the bond issue. In answer to the argument that the city was buying a losing proposition and one that the Hercules Company would be glad to get

1. Ibid., July 3, 1902, pp. 1,5.
rid of he said that he knew an individual who was willing to sign a contract to operate the proposed city plant with competent men and guarantee all light up to the standard candle power free of cost to the city for five years if the city would give him the money made on the day run.\(^1\)

There had also been some concern among the people that the cost of the plant would exceed the $65,000 requested by the city in the bond issue. Some citizens had estimated the cost at close to $100,000. In answer to this charge "Optimist" stated:

Now as to the uncertainty of the cost, there is nothing uncertain about it. Copper wire can be obtained for 1½ cents. Bids have been obtained for machinery, for the pole line, and all estimates have been so carefully made that there is not room for guess work as to cost.\(^2\)

The concluding arguments in favor of the bond issue were proposed by one "Third Ward Laborer" in an article entitled "Laborer Talks". He said that he was willing to have the assessed valuation of land in Logan raised if that was necessary to provide more money for the proposed city light plant. He said that $65,000 was a mere "bagatelle". Competition did not frighten him in the least and he felt it would add to the excitement of the city to have such competition. The article closed with this thought: "Someone has said that bonds and bondage go together. For my part I welcome the so-called slavery if it brings with it the mill site."\(^3\)

---

1. Ibid., July 10, 1902, p. 1.
2. Ibid.
Arguments used Against the Proposed Bond Issue

The arguments in favor of the bond issue had not convinced all of the taxpayers that the electric plant was desirable. Many convincing arguments were used in opposition to the proposed issue. It is to these arguments we now turn.

In the June 14 issue of THE TRI-WEEKLY JOURNAL in an article entitled "A Friend to the Tax-Payer Speaks" some of these negative arguments were brought to the attention of the public. "Friend" said that one hundred thousand dollars have been lost by the original electric lighting plant in Logan. He further said that instead of $50,000 to $60,000 the electric plant would cost closer to one hundred thousand dollars. The establishment, ownership and municipal management of an electric plant for Logan on borrowed money was a dangerous venture, and if attempted it could not help but fail to result in serious loss to the citizens.

In the June 21 issue of THE TRI-WEEKLY JOURNAL, "Friend" wrote another letter in which he belittled the City Council. In the last part of the letter he said that the Hercules Company would furnish free light to the city if necessary to drive the people of Logan from buying power from the city. This he felt would compel the bondholders to foreclose and destroy the city plant. He further stated that, "Competition in mills and milk may be desirable; but I don't want to be forced to attempt under present conditions, to compete in the electric business here". He went on to say that he would advocate no

1. Ibid., June 21, 1902, p. 1.
proposition in which he was unwilling to put his own money.

The negative arguments continued with a letter signed "Resident" which appeared in the June 26 issue of THE TRI-WEEKLY JOURNAL in which he called attention to the fact that the contracts being issued by the City Council were enforceable when the conditions set forth were complied with. Ten years before the citizens of Logan were paying one dollar per light, then the price was decreased to seventy-five cents per light, in 1902 the price was thirty-three-and-a-third cents per light. "Friend" felt that the price would continue to drop and the signees of the contracts would be at a serious disadvantage. 1

The July 10 issue of THE TRI-WEEKLY JOURNAL carried an article written by "Resident" in which he took issue with "A" on the former city electric light venture being a success. He said:

I looked for figures with which to attack the idea of abandonment, and these are what the record actually contains or did at the time I went over them. (See Figure 2 page 15) Prior to 1889, this sum had been paid for the plant. For the next four years it required an expenditure of $1313.87 additional bringing the total property charged up to $6548.19. From June 1888, until the following March the city received $646.27 from the plant above the expense of operating it. In the following year $617.12 and the year after that $360.85 a total of $1617.14 profit in selling lights. The city is likewise credited with $1500 the amount the council estimated had been saved during the period of owning its six lights.

But from March, 1891, until the whole project was abandoned in 1897, the record is one of loss and

1. Ibid., June 26, 1902, p. 1.
<table>
<thead>
<tr>
<th>Month</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Amount</th>
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<tr>
<td>March</td>
<td>1891</td>
<td>1892</td>
<td>$197.86</td>
</tr>
<tr>
<td>March</td>
<td>1892</td>
<td>1893</td>
<td>682.86</td>
</tr>
<tr>
<td>March</td>
<td>1893</td>
<td>1894</td>
<td>725.55</td>
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<tr>
<td>March</td>
<td>1894</td>
<td>1895</td>
<td>532.80</td>
</tr>
<tr>
<td>January</td>
<td>1895</td>
<td>1896</td>
<td>835.71</td>
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<tr>
<td>January</td>
<td>1896</td>
<td>1897</td>
<td>608.31</td>
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<tr>
<td>For the year</td>
<td>1897</td>
<td></td>
<td>55.20</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>3736.29</td>
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</table>

Figure 2. Outlay over and above income for the Logan light plants, 1891-97 TRI-WEEKLY JOURNAL, July 10, 1902, P.1.
discouragement. By years the outlay over and above the income was as follows. (See Figure 3 page 16) We find by the record which "A" has searched so zealously, that the city lost exactly $7039.74. 

In the July 1 issue of THE TRI-WEEKLY JOURNAL a Mr. Johnson wrote a letter in which he said that the committee appointed by the City Council to investigate the feasibility of putting in another electric lighting system for Logan had used carefully selected cities in order to show that public ownership of lights was cheaper than private. Mr. Johnson had compiled a list of his own which brought out the fact that several cities had paid out more money under municipal ownership of electric lights.

The final argument against the bond issue was written by one "Counsellor". In this letter printed in THE TRI-WEEKLY JOURNAL he questioned the legality of Logan going into debt for the added $65,000. Logan at this time had a population of approximately 5,500.

Taking the last assessment roll as a basis Logan City is allowed to owe about $65,000 for general purposes, and about $65,000 for supplying such city or town water, artificial lights or sewers. It owes $40,000 now for water works. It may incur a further indebtedness of $25,000 for lights or sewer, and still keep within the limits fixed by the Constitution.

"Counsellor" further said that the city would be faced with a law suit if they voted the $65,000 bond issue.

Results of the Election

On July 21 the City Council met in special session pursuant

to law for the purpose of canvassing the votes of the special election held on July 14. The result (See Figure 3 page 18) was 373 in favor of the bonds, and 128 against the measure. Whereupon it was duly declared by the City Council that the proposition for the bonds was carried by a majority of 245.1

The small number that voted in this election indicates how uninterested the average citizen was in the proposal. In the 1902 city and congressional election 1,955 citizens turned out to vote. Granting the number of property owners (the only people eligible to vote in the bond election) was less than the total number of eligible voters, the total vote represents a very poor showing. More people held land in those days than now and at least 1500 citizens were property owners. Only 373 property owners bothered to vote out of approximately 1500 eligible voters.

In the August 6 meeting of the City Council the following is noted in the minutes: "Mayor reported that all objections to establishing an electric lighting plant were gone, and steps were being taken to establish one."2

A review of the various arguments for and against the proposal is shown in Figure 4 page 19.

2. Ibid., p. 481.
Figure 3. Voting results on 1902 electric light bond issue by districts

<table>
<thead>
<tr>
<th>District</th>
<th>For Issue</th>
<th>Against Issue</th>
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<tr>
<td>1</td>
<td>36</td>
<td>0</td>
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<tr>
<td>2</td>
<td>61</td>
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</tr>
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<td>3</td>
<td>45</td>
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<tr>
<td>8</td>
<td>17</td>
<td>23</td>
</tr>
<tr>
<td>9</td>
<td>53</td>
<td>14</td>
</tr>
<tr>
<td>10</td>
<td>31</td>
<td>13</td>
</tr>
<tr>
<td>Totals</td>
<td>373</td>
<td>128</td>
</tr>
</tbody>
</table>
Arguments for bond issue | Arguments against bond issue
---|---
1. Owning a light plant will make thousands of dollars for people of Logan. | 1. Voting "yes" to bond issue will raise taxes.
2. Owning the light plant will relieve the people of taxation. | 2. The former city-owned plant lost money.
3. Twenty other cities have found that owning their own light plant has been much cheaper than buying power. | 3. The city will not be able to compete with the Hercules Co. in producing power.
4. The Hercules Co. is making money in Logan so the city can, also. | 4. To establish ownership on borrowed money is a dangerous venture.
5. Cheap power will induce capital to come to Logan and industry, also. | 5. The city should wait for a few years when they are better-off financially.
6. Contracts have been signed by citizens guaranteeing that the bond will be a success. | 6. Taxes are already too high.
7. The city will face a lawsuit if the bonds are floated. | 7. The city will face a lawsuit if the bonds are floated.

Figure 4. Arguments used "for" and "against" the proposed electric light bonds, 1902.
THE SPECIAL BOND ELECTION OF MARCH 22, 1904

On March 22, 1904, another special bond election was held to bond the city for an additional $12,000 to complete the electric light plant. The city had almost completed the plant and there was very little opposition to the bonds. The final returns showed that 233 people voted for the bonds and only 6 against them. (see Figure 5 page 21) Thus the city was able to complete the light plant.
**District** | **For Issue** | **Against Issue**
--- | --- | ---
1   | 75   | 1
2   | 75   | 1
3   | 35   | 
4   | 35   | 
5   | 31   | 
6   | 46   | 
7   | 46   | 
8   | 46   | 
9   | 46   | 2
10  | 46   | 3

**Totals** | **233** | **6**

*Figure 5. Voting results on 1904 electric light bond issue by districts*
THE SPECIAL BOND ELECTION OF SEPTEMBER 2, 1916

After the 1904 bond election there was no bonding in the city of Logan until 1916. By 1916, however, the city had grown larger (approximately 8,000) and the water system no longer adequately met the needs of the larger population. The electric light system was in need of some changes also. The Board of Commissioners of Logan City met in regular session July 27, 1916, at seven o'clock p.m. The meeting was called to order by Mayor P.A. Thatcher. Commissioner John Quayle moved that the commission adopt a resolution. (See Figure 6, page 23)

In compliance with the resolution the notice of the special bond election was published in THE LOGAN REPUBLICAN. The publication also contained the following: "At said election the polls shall be opened at the hour of seven o'clock A.M. and closed at the hour of seven o'clock P.M."¹

Because the voters were requested to vote "yes" or "no" on the two different bond issues, and because the issues were somewhat different on the two proposed bond issues the issues will be presented separately.

Arguments and Methods Used by the City Commission

Several appeals for more information concerning the

¹. City Record Book, G, p. 780.
Be it resolved by the board of commissioners of Logan City, Utah:

That, whereas, there is an immediate and pressing need of raising funds for increasing, improving, enlarging, extending, perfecting, and adding to the present water supply and water works system in said Logan City, for the purpose of more adequately supplying and distributing water to the inhabitants of said city; and

Whereas, the water system and works used and to be used for supplying such water to the inhabitants of said Logan City, are and shall be owned and controlled by said municipality; and

Whereas, there is an immediate and pressing need for raising funds to rebuild, repair, reconstruct, extend and otherwise improve the present electric lighting system in said Logan City, for the purpose of more adequately providing a means of supplying electric lights for said city and the inhabitants thereof; and

Whereas said electric lighting system is now and shall be owned and controlled by said municipality.

Now, therefore, be it resolved, that an election be called to be held on Saturday the 2nd day of September, 1916, within said Logan City, County of Cache, State of Utah, for the purpose of submitting to such qualified electors of said city as shall have paid a property tax therein in the year preceding such election, the question of whether or not bonds of said Logan City, in the sum of $70,000 shall be issued and sold for the purpose of raising funds for increasing, improving, enlarging, extending, perfecting and adding to the present water supply and water works system in said Logan City; said water works system and supply are and shall be owned and controlled by said municipality.

Also the question of incurring a bonded indebtedness in the sum of $15,000 for the purpose of raising funds to defray the expense of rebuilding, repairing, reconstructing, extending and otherwise improving the present electric lighting system in said Logan City, for the purpose of more adequately providing a means of supplying electric light for said city and for the inhabitants thereof; said electric lighting system is now and shall be owned and controlled by said municipality.

Figure 6. A resolution adopted by the Board of City Commissioners, September 27, 1916
bond issue were published in the two Logan newspapers after
the notice of the election was published in the newspapers.
In answer to these pleas the City Commission had an article

The City Commission proposes an issue of $70,000
worth of municipal bonds, for the improvement of
the water system, and it is proposed that the money
derived from the sale of the bonds be expended in the
following way... It is proposed to lay a 12 inch water
main down Seventh North Street to Main Street, and then
along Main Street to Fifth North and down Fifth
North; West to Third West and along Third West into
the Second Ward and there connect with the general
water mains of the city. The present conditions
are such that the city is unable to supply a very
large portion of the Fifth Ward, being territory
immediately west of the cemetery. This will also
enable the City Commissioners to run collateral mains
from the principal mains to all portions of the city
insuring an adequate supply and efficient pressure.
It will cut out and eliminate a lot of the dead ends
which produce and furnish to water users so much stag-
nant water in certain portions of the city.
It has been estimated by the water department
that this new construction, taken in connection with
our new reservoir, will make it possible to supply
water to enough new subscribers to nearly pay the
interest on the bond issue when all are connected up.
Then in addition to that it will give us adequate
fire protection which at present we do not have by
any means. Again with the present system and taking
into account the length of time it requires to fill a
sprinkler, the time lost is fully one-third of the
time of the sprinkler and team and man and with the
new construction it would be possible to either save
approximately $1500 a year, or sprinkle that much
more territory...

If the bond issue is authorized the water system
can then be constructed as it was originally designed
and contemplated and with the supply which we have
ought to be adequate to supply the inhabitants of the
city for an indefinite length of time in the future.
On the other hand if the bond issue is not authorized
it will be necessary for the city to levy special taxes
year by year until a sufficient amount is accumulated
in order to make this improvement and in the meantime
a very large portion of the city will be without city
water at all and the northern and south-westerly
portions of the city during the summer months will be without adequate pressure and consequently inadequate fire protection.\footnote{1}

With the appearance of this article it must have become apparent to the taxpayers that they would either have to vote for the bonds or else pay for the improvements through higher taxes.

**Arguments Used in Favor of the Water Bond Proposal**

In the August 15 issue of THE LOGAN REPUBLICAN the editor wrote a column presenting his views on the bond issue. He said that this was a great issue which should receive the careful consideration of all taxpayers. "The city administration has the matter well in hand, and the $70,000 if voted, will be sufficient to give the inhabitants of the city an adequate supply of pure fresh water".\footnote{2}

The editor then argued that the proposed issue would not raise taxes but would pay for itself with revenue from the water works. For the two previous years a ten mill tax had been levied by the vote of the taxpayers from which $50,000 had been collected. This money was expended on the De Witt Springs Extension. This was a spring up Logan Canyon and is (1958) at the present time the source of all the water provided by Logan City. For the year 1916, a three mill tax was levied for which $15,000 was scheduled to be collected in the fall of that year. This money with the

\footnote{1} THE LOGAN REPUBLICAN, August 31, 1916, p. 1.
\footnote{2} Ibid., August 15, 1916, p. 4.
$70,000 was needed to complete the De Witt Springs Extension and reservoir, and to enlarge and extend the distribution system by adding another large distribution main through the city, and make extensions where there was no pipe line to various parts of the city. When this was done there was to be $110,000 of water works bonds outstanding.

The city, in 1916, was in debt for water works to the sum of $40,000. After completion of the water works on the above basis the commissioners argued that the revenue from the water works department would pay the bonds before they came due, and that in the meantime there would be no occasion for any special taxation. The editor then appealed "to the taxpayers to think the matter over so as to be ready to cast an intelligent ballot on election day".

A letter signed "Taxpayer" was published in THE LOGAN REPUBLICAN August 29 which called attention to the fact that "Taxpayer" was in favor of the water bonds being voted in the affirmative.

The city physician inspected the water works and then published a report of his findings in THE LOGAN REPUBLICAN. Many of the homes in Logan were obtaining their drinking water from open wells. The physician found wells in use which had in them broken and decayed curbs and some into which the back yard slop would run whenever a rain came, some water was seeping from the cemetery and running into wells in

some parts of Logan City. Dr. D.C. Budge closed his report thus, "Every case of typhoid fever coming to my knowledge last year was from homes using well water..."\(^1\)

This ended the arguments for those in favor of the bond issue.

There was no opposition to the water bonds as far as printed material was concerned.

**Results of the Election**

The returns were certified by the judges of the election and given to the city recorder. The results indicated that 151 people voted in favor of the bonds and 53 voted against the bonds. (See Figure 7, page 28)

Following the election THE TRI-WEEKLY JOURNAL made the following observation:

"Not the slightest excitement attended the bond election on Saturday. In fact it did not attract the attention that a matter of such great public importance should attract, as the vote indicates.

It seems evident upon the face of the facts that the taxpayers accepted the statements made by the City Commission, approved the objects set forth and concluding that the bonds would carry as there seemed to be no organized opposition, were willing to let the actual voting go by default.\(^2\)

The people of Logan displayed less interest in the outcome of the proposed bond issue than they did in the 1902 bond election. A total of 3,267 people voted in the presidential election in 1916 but only 204 voted in the bond election. This general apathy is evidenced in every special


<table>
<thead>
<tr>
<th>Districts</th>
<th>For Water Bonds</th>
<th>Against Water Bonds</th>
<th>For Light Bonds</th>
<th>Against Light Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 &amp; 2</td>
<td>23</td>
<td>8</td>
<td>20</td>
<td>9</td>
</tr>
<tr>
<td>3 &amp; 4</td>
<td>37</td>
<td>15</td>
<td>34</td>
<td>15</td>
</tr>
<tr>
<td>5 &amp; 6</td>
<td>22</td>
<td>18</td>
<td>16</td>
<td>21</td>
</tr>
<tr>
<td>7 &amp; 8</td>
<td>29</td>
<td>6</td>
<td>20</td>
<td>14</td>
</tr>
<tr>
<td>9 &amp; 10</td>
<td>40</td>
<td>6</td>
<td>36</td>
<td>7</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>151</strong></td>
<td><strong>53</strong></td>
<td><strong>126</strong></td>
<td><strong>66</strong></td>
</tr>
</tbody>
</table>

Figure 7. Voting results on 1916 electric light and water bond issues by districts
election and certainly does not speak well of the citizens of Logan. At least 2,000 people were eligible to vote in this bond election but only one-tenth took the trouble to vote for projects that would cost $85,000 to complete.

Arguments used for and Against the Electric Light Bonding

From the very beginning the taxpayer seemed confused as to why the City Commission desired the electric light bond issue. THE LOGAN REPUBLICAN in the August 31 issue, delivered a plea for more information on the matter.

The August 29 issue of THE LOGAN REPUBLICAN had carried an article written by one "Taxpayer" described voting for the issue like voting "for a pig in a sack". He called for more information to be given to the public so they would know how much money it would take to do the work, how the money would be raised and finally, how it would be used.

The evidence indicates that the average citizen thought the electric plant itself was going to be improved or rebuilt. The notice published in THE LOGAN REPUBLICAN was somewhat misleading as to the purpose of the electric light bonds.

In the August 31 issue of THE LOGAN REPUBLICAN the Board of Commissioners explained the purpose for which the bonds were proposed. When the city installed its distributing system it entered into a contract with the Bell Telephone Company for a joint occupation of poles, and thereafter until 1916 the city had occupied the same poles wherever possible with the telephone company. The city lines had been lower
than the corresponding lines of the telephone company. This had resulted in considerable dissatisfaction because the workmen repairing the telephone wires were compelled to climb through the electric light wires and when telephone wires became broken they would fall upon the live wires below, all of which constituted considerable danger to the telephone workmen and to the public generally. Because of this the telephone company and the city had agreed to change positions. Much of the wire and many of the cross-arms previously used by the city were old and worn out. The city was also going to remove the telephone poles from the middle of the street to one side. It was felt that this would make caring for the streets much easier, and would eliminate the city's having to maintain two strips of roadway. It was felt that it would also give better drainage and lessen the danger of accidents. The city needed $15,000 to accomplish these purposes.

With the printing of this explanation there was no more argument against the proposal.

Results of the Election

The election returns showed that 127 people voted for the electric light bonds and 66 people voted against the bonds. (See Figure 7 page 28)

THE SPECIAL BOND ELECTION OF MAY 15, 1923

The 1923 bond election proved to be the most colorful in Logan history. More people put their ideas in print through the local newspapers than in any bond issue before or since. This of course added much variety and spice to the election.

The first mention of a bond issue, in print, was found in an article printed in THE JOURNAL (the name had been shortened from THE TRI-WEEKLY JOURNAL), February 16, 1923. This was found on the front page and the headline read "Electric Light Question Discussed". This was to become a familiar sight in the local papers, because the bond issue made the front page many times between February 16 and May 15 when the issue was finally settled.

On the night of February 16 some interested citizens met with the City Commissioners in the club room of the Chamber of Commerce to discuss the electric light plant. The newspaper stated that the room was filled. The most important question placed before the citizens of Logan was what they should do with the electric light plant. It seemed to be common knowledge that the present plant had almost served its usefulness. The flume dam, it was held, was
almost to collapse. The City Commissioners felt that one of two things could be done—either build a new power plant or go out of the light business. But they felt the matter could be put off no longer.

The citizens present expressed several ideas which are presented below:

The plant has been operated on the wrong business basis. Our competitor has pursued the policy destined to finally eliminate the city plant. First and of greatest importance is the fact that the utility, whether it be water or light, is a business proposition, pure and simple, with rules and regulations to be strictly and impartially enforced, and with no bid for transient popularity through phenomenally low rates at the expense of ultimate disaster. A thorough analysis of the cost of service, taking fully into account depreciation, providing for future extensions, and sinking fund, should be the basis upon which rates are determined.

...This brings me to the crux of the whole plan which is the meter. No mercantile business could be long operated without its weights and measures. The meter is to the light business what the scales, yard measure and the cash register are to the mercantile business. The meter is the only sound method and Logan is the only city in the United States operating under a flat rate. While in Salt Lake City a few days ago I was astounded to learn from reliable sources that Logan is using more power for residential lighting than Salt Lake City. Our ratio in population is about ten to one.

According to the figures of the General Appraisal Company of Seattle, Washington, we now have invested in the plant and distribution system the sum of $276,000. Logan cannot afford to junk this property or to acknowledge defeat... According to the figures given for lighting in Provo, the bill for lighting its streets and white-way would be at least $25,000. Logan pays its light plant $6,000 per annum for street lighting including the white-

1. However, we shall see that THE LOGAN REPUBLICAN, a semi-weekly newspaper, cast some doubt on this point. They said that the flume dam was good enough to last for many years.
Logan has three times more candle power in its street lighting than Provo.

Logan budget calls for a payment to our competitor (Utah Power & Light) for $14,000 for the power purchased in 1923. The interest on $300,000 at 4.75 per cent is $9,500 which would represent a saving to the people of Logan of $4,500 dollars.  

In view of the above facts the Board of City Commissioners felt that the time was opportune to go before the taxpayer of Logan and ask that they vote a bond for the re-building of the plant.

Mr. J.A. Hendrickson then asked what was meant by rebuilding. The mayor explained that it included a new plant, stopping the leakage in and raising the dam five feet and putting in a larger pipe line, which in connection with new water wheels or turbines would double the power.

Mr. Christian Garff said that in value returned to Logan's citizens the plant had paid for itself many times over in the difference between the thirty-three-and-one-third cents Logan formerly paid the Hercules Company and the rate then being paid by Logan citizens.

Mr. Stephen Hailstone asked what the cost of the distributing system would be and was told it would cost $105,000 from the mouth of Logan Canyon. Electrician Heber Maughan, manager of the light plant, made some explanations as to where and how power was being lost and how it could be regained.

There was some discussion of plant sites. The Wood Camp, Temple Fork, and Deseret Mill sites were mentioned. Ray B. West, Engineer at the Utah State Agricultural College, explained that all had been examined and it was found that only commercially practical and profitable site was the one then being used.

Mr. A.G. Lundstrom then spoke strongly in favor of building up the city's plant and suggested that a vote be taken at the meeting to ascertain the sentiment, which he believed would be representative of the citizens as a whole.

Mr. Wilbur Thain, who had audited the light plant books read figures proving that light and power from the city plant was being sold at less than the cost of production.

Mr. L.P. Peterson spoke in favor of bonding as proposed.

Reverend Harris Pillsbury explained that by the use of a meter even at current low rates Logan would effect material saving.

Mr. A.G. Lundstrom moved that a rising vote be taken on the question as to whether or not it would be the sense of the meeting that the city bond for the sum necessary to carry into effect the plans proposed by the City Commission. The motion was then put, and the rising vote was unanimous.¹

Thus a large gathering of representative citizens approved the plan which proposed to build a new plant on the present site and to overhaul the old plant and make such replacements

¹. Ibid.
and repairs as were needed to make it efficient as an auxiliary or subsequent plant when needed.

The main issue was whether or not Logan should remain in the electric light business or not. The fact that the plant had been losing money was repeatedly brought to the attention of the taxpayer. The rebuttal to this was brought out in this meeting. The plant could be counted on to make money if meters were installed. The writer talked H.R. Pederson, the present city recorder, who said that Logan was using electricity extravagantly and without thought of cost in 1923. He said that oftentimes lights and several heaters would be left running all night long. He also said the people would take out their large light globes and hide them along with their larger heaters when they would see the inspector coming. They were charged a yearly rate in those days based on the inspectors report.

After this meeting the light question remained dormant as far as the newspapers were concerned until April 4, 1923. Arguments and Methods Used by the City Commission

The City Commissioners convened in a special session in the Chamber of Commerce building at 7:30 p.m. the evening of April 4.

Mayor John A. Crockett stated that the special session was called by the commissioners in connection with the Chamber of Commerce to ascertain the feeling of citizens in Logan City with reference to the proposed bond issue.
Up to this time it had been thought that $200,000 would be enough to build the plant. But Mr. A.J. Wiley, a consulting engineer from Boise, Idaho (the same had been hired by the City Commissioners to ascertain how much the proposed light plant would cost), had just completed a survey of the plant and had filed a report with the commission in which he recommended a bond issue of $300,000. He further advised the commission to sell just enough bonds to build the plant which he estimated would cost $266,000. He felt that an additional $15,000 or $20,000 would be required to repair and strengthen the transmission and distribution lines. Thus approximately $300,000 would be required to do the job properly.

There were present sixty representatives from all parts of the city. Secretary M.R. Hovey of the Chamber of Commerce read the entire report of Engineer A.J. Wiley, which consisted of thirty-two printed pages plus twenty-five pages of tables and other useful information. In this report two plans were presented. In one the city would build a 751 horsepower plant, and repair the present plant at a cost of $234,000. The second plan would entail the building of a 1500 horsepower plant and repairing the present one at a cost of $266,000. Mr. Wiley strongly urged the acceptance of the second plan.

After the reading of the report the matter was thrown open for discussion. Mayor Crockett stated that "Mr. Wiley is a man of great experience and one of the best engineers
in the United States and I have perfect confidence that his report is accurate and safe". 1 The Mayor went on to say that he felt the matter of raising $300,000 was too great an undertaking for the City Commission to handle without the support of the citizens of the city.

Dr. Ray B. West stated that the "report was very complete and as plain, concise and comprehensive as any he had ever seen". 2

The City Record states that "Messrs. Christian Garff, W.R. Sloon, W.M. Smith, Lorenzo Hanson, James McNeil, Dr. D.C. Budge, Stephen Hailstone, A.G. Lundstrom, J.C. Walters spoke". 3

Mr. Olof Nelson then moved that "it be the sense of that meeting that they back the City Commission to hold an election and vote for a $300,000 bond issue as recommended in the report". 4 A standing vote was called and proved to be unanimous.

Inasmuch as the Wiley Report has been mentioned, a brief summary of the report is inserted. The report recommended that a new power plant be built at the site of the one then present. A diversion dam was to be repaired with concrete abutments and face wall to cut off the leakage and give an

2. Ibid.
3. Ibid.
4. Ibid.
increase of four feet in the head. The flume and pipe line were to be replaced with a 78 inch diameter pipe on concrete pedestals. Plans "A" and "B" were next discussed (these have been cited previously). Repairs were to be made upon the valves and water wheels of the present light plant.

The law stated that a notice of the election, the amount to be bonded, and the purpose of the bonds were to be made known to the public at least four weeks preceding the election. On April 12 the City Commission met and adopted a resolution to put the notice of the election together with all of the other required material in THE JOURNAL, a daily paper published in Logan City. This resolution was published daily from April 14 to May 15.

On April 13 the polling places and the judges for the coming election were chosen. In the same City Commission meeting that chose the polling places and the judges, it was decided "to hold a series of meetings in the various wards in order to get the facts before the voter". 1

The first meetings were to be held in the Seventh, Sixth and Tenth wards on the following Wednesday night at 7:30 p.m. At another meeting it was further decided to hold other meetings in the First, Third, and Fourth wards. After these meetings were held THE LOGAN REPUBLICAN had this to say: "Last evening meetings were held at the First Ward, where Mayor Crockett was the chief spellbinder and the

1. Ibid., Book F. F. 1418.
Third Ward, the bailiwick of Commissioner Evans. The commissioner himself told the people what he wanted them to expect in the case of meters, and on that point he is declared to have been mum. In all the meetings questions were asked and in some instances debate waxed warm. Sometimes they took a vote and sometimes they did not. The paper did say in the last of the article that "Day by day the people are becoming better acquainted with the matter and by the fifteenth will be ready to render a verdict."  

When the City Commission decided to put the question of continued operation, as well as the question of rebuilding the city plant, up to the taxpayers by the proposed bond election, the Chamber of Commerce asked that an advisory committee from that body be appointed to work with the City Commission on that important question. To be sure that such advisory committee would be favorable and friendly to the city plant, Mayor John A. Crockett was asked to name the committee.

Mayor Crockett accepted this suggestion and named the following as the advisory committee, which were thereupon appointed: A.G. Lundstrom, Lorenzo Hansen, George B. Bowen, H.G. Hayball and W.S. Hansen.

The special advisory committee under the leadership of Mr. A.G. Lundstrom invited the editors of the two local

2. Ibid.
newspapers together with himself and Superintendent Maughan to visit the city power plant and walk the pipe line from the plant to the dam and intake. Because the two newspaper editors took such opposite views the writer will present their arguments with those "for" and "against" the issue. The incident is only mentioned here to show that the committee favorable to the City Council was doing its part to enlighten the people of Logan.

The City Commission ran an advertisement in THE JOURNAL several days prior to the election in which they called the voters attention to the fact that Mr. A.J. Wiley had been paid for his survey and estimate, and that the engineering for the plant if voted in the affirmative was to be done by local engineers. They contended that unless the plant was immediately rebuilt the right to use the water would lapse and be lost because the old plant was about to cease operating. This would leave Logan at the mercy of the Utah Power and Light Company which was undesirable, according to the City Council. The commission reiterated that they had a greater interest in the construction of the plant than that of any other citizen. They had thoroughly investigated the questions involved in the alleged interest of all and were merely presenting their honest conclusions.

Let us now turn to the arguments used by those in favor of the proposal.

2. Fonnesbeck, pp. 36-37.
Augments Used in Favor of the Proposed Bond Issue

As mentioned before, the editors of the two local newspapers had been invited to take an inspection tour around the electric light plant and lines. The afternoon after this tour was taken the editor of THE JOURNAL wrote that it was his impression that the light plant was in such a condition that it was absolutely necessary to replace it immediately. The supporting timbers along some sections of the pipeline were rapidly rotting and the under side of the pipe for fully half its thickness was rotten punk that could be picked off with the fingers. The editor of THE JOURNAL was very much in favor of replacing the old city plant immediately.¹

The editor of the rival newspaper, THE LOGAN REPUBLICAN came to a different conclusion. Apparently the evidence was not so convincingly apparent to all observers.

As a result of competitive waste and extravagant use of current, as mentioned before, the city was forced to buy electric power from its competitor the Utah Power and Light Company. On August 1, 1919, the city entered into a "break-down" contract with Utah Power and Light for the purchase of electric current to supplement the city plant needs.

The contract required the city to pay for a full month's consumption based on the highest peak used any four minutes during the month.² This situation prompted Christian Garff

². Fonnesbeck, pp. 36-37.
to write a letter, which was published in THE LOGAN REPUBLICAN, May 8, 1923. Some of his friends must have agreed with him because he signed the letter "Christian Garff and others". In this letter he faced the problem squarely. If the proposed bonding were voted in the affirmative and the new plant were built, the city would still be required in periods of low water to purchase power from Utah Power and Light Company. Therefore Mr. Garff in the early part of his letter said: "It may be that the undersigned are unduly biased in favor of one hundred per cent municipal ownership..." Utah Power and Light Company according to Mr. Garff was a privately owned company that sought to eliminate competition by driving it from the field. He felt this would happen to Logan if they were dependent upon this company in any way. The letter closed with these remarks: "With a policy of complete independence, publicly announced, many of us will be with you." The May 10 issue of THE JOURNAL contained a letter signed "A Home Owner". He called attention to the fact that the average family of six would only pay $13.50 a year if the bonds were voted. A plea was made for municipal ownership of public utilities and the public was cautioned to beware of propagandists, for they "had camped on the trail of Brigham City for weeks before their bond election".


2. Ibid.

They had succeeded in defeating the issue in Brigham City.

The May 11 issue of THE JOURNAL contained a very interesting letter. The letter had been sent to Mayor Crockett by a friend in Salt Lake City. The Mayor had it published in the paper. This friend of the Mayor said that a Mr. Elmer Johnson was in Logan at the expense of The Utah Power and Light Company to do all in his power to defeat the bonds. The Mayor used this letter for propaganda purposes and said the moral to be derived from the letter by the citizens of Logan was: "If our plant is an attractive proposition to them why should Logan hesitate?"¹

Mr. W.E. Thain wrote a letter to THE JOURNAL in which he tried to present an accurate picture of the electric plant and its operations, should the proposed bond issue carry. He assumed in his statistics that power would be sold over a meter. He further arrived at his conclusions on the basis that the annual revenues of the city plant from its present customers should be as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Revenue</th>
</tr>
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<tbody>
<tr>
<td>Commercial Customers, Lights</td>
<td>$7,141.20</td>
</tr>
<tr>
<td>Residence Customers, Lights</td>
<td>$33,519.12</td>
</tr>
<tr>
<td>Ranges</td>
<td>$4,968.80</td>
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<tr>
<td>Irons and Heaters</td>
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<tr>
<td>Power</td>
<td>$7,380.00</td>
</tr>
<tr>
<td>Street Lighting</td>
<td>$6,000.00</td>
</tr>
</tbody>
</table>

Total Annual Revenues: $58,233.12²

From this amount would be deducted the cost of operating

1. Ibid., May 11, 1923, p. 1.
2. Ibid., May 12, 1923, pp. 1, 3.
the plant and bond interest. According to the Wiley Report
the cost of operating the new plant would be about $31,580.00.
Adding to this depreciation, operation and up-keep of trans-
misison and distribution lines, and the general office
expenses over the previous year had totaled $13,000.
To this amount he added 5% interest on an additional $80,000
of bonds or about $4,000. This gave him a total expense of
$48,580.00. The total expenses subtracted from gross revenue
obtained from the plant left a net profit of $9,653.12.¹
Thus, Mr. Thain tried to show by the use of figures that the
city light plant could not only pay off the bonds, provide
the city with cheap lights, but also make a fair profit each
year.

A letter signed "One Who Knows" appeared in THE JOURNAL
May 12, 1923. In this short article the writer made several
short statements as to why he thought the bonds issue should
be voted in the affirmative. (1) the bond issue was a sure
money maker (2) the city plant would pay its own bonds (3)
if desired the plant could be sold at a profit (4) the
proposed plant would make Logan power independent.

The concluding arguments for the proposed bond issue
were written by one "You Know Me Al" and appeared in the May
14 issue of THE JOURNAL. Logan was called the best lighted
city in the western country and this was because the city
owned its own lighting plant. Provo allegedly paid enough

¹. Ibid.
more on their street lights alone to redeem the $300,000 bonds. (Provo purchased lights from the Utah Power and Light Company) Attention was called to the fact that the Utah Power and Light Company had charged the citizens of Logan seventy-five cents per light when their plant was under construction twenty years previous.

On the eve of May 14, 1923, the arguments for the proposal drew to a close with the words "Let us have more light."

The Neutral Report of the Advisory Committee

During the years 1916-1919, Mr. E.R. Owen, was local manager of the Utah Power and Light Company. He was also president of the Logan Chamber of Commerce. The evidence seems to indicate that he had been able to convince some of the prominent men of the community that the city light plant was a losing venture. The Chamber of Commerce in 1923 appointed an advisory committee to investigate the Wiley report. 1

This committee consisted of five of the leading and most influential men in Logan, namely: Ray B. West, engineer and Dean of Engineering at the college; T.H. Humpherys, engineer; D.C. Budge, M.D.; William Edwards, merchant; and A.H. Thompson, banker. The committee was to find the facts and present them in an un-biased fashion. This claimed impartiality was questioned by Mr. Wiley but more about that after a summary of the report.

1. Fonnesbeck, p. 42.
The report stated that the members of the committee had gone into the various auditors' financial statements on the then existing city light plant, and had examined reports made by Mr. A.J. Wiley and Mr. Chambers. (His first name was not given) The report then reviewed the electric light situation in Logan and the fact was put forth that Logan was then purchasing 60 per cent of its electrical power from the Utah Power and Light Company. The committee felt that if the Wiley plan were adopted, Logan would have the most power available when it was needed the least—that is from April to September. For seven months out of the year Logan would be obliged to purchase additional power from the Utah Power and Light Company. Further doubt was expressed as to whether or not the Utah Power and Light Company would be willing to renew its contract with Logan City on favorable terms. The committee, therefore, concluded that without some definite knowledge that supplementary power could be purchased reasonably, it was not good business to build.

The May 12 edition of THE LOGAN REPUBLICAN had this to say about the report.

...it is to be distinctly understood that the board did not approve nor disapprove the report....This committee report was for information and no recommendations were offered."

Mayor Crockett sent a copy of the Chamber of Commerce
report to Mr. Wiley in Boise and Wiley wrote a letter published in THE JOURNAL May 14, 1923, in which he said in part:
"This report seems to be quite strongly prejudiced against the bond issue and does not present the arguments for and against the new power plant as impartially as a report by such a committee should."¹

Arguments Used Against the Proposed Bond Issue

In this bond issue the opposition was better organized than in the previous ones cited. The Utah Power and Light Company led the opposition.

Early in the month of April the editor of THE LOGAN REPUBLICAN called for a clarification of the facts. There had been talk of a $200,000 bond issue and then it was raised to $250,000 and at the time he wrote they were asking for $300,000. A complete proposition was called for so that the facts would be revealed to the voters. This would enable them to make up their minds objectively on the matter.

The April 10 issue of THE REPUBLICAN carried another editorial. The first part was again devoted to a plea for more light on the subject. It also mentioned that the City Commission was meeting to discuss the Wiley report and that the writer of the article possessed a copy of the same. THE LOGAN REPUBLICAN was concerned because under either plan "A" or "B" as proposed by Wiley the city would still have to purchase power from the Utah Power and Light Company. This was undesirable from the editor's standpoint.

There was another article in THE LOGAN REPUBLICAN on April 12 cautioning people not to make up their minds until they had received more information on the subject. It called attention to a statement made by the Logan correspondent of the SALT LAKE TRIBUNE, who is reported to have said that the petition signed by the "One-hundred-fifty" (One hundred and fifty of Logan's citizens addressed a communication to the City Commission declaring that they had carefully considered the advantages of the public ownership of the electric light plant. After having fully and carefully considering it from every angle they pledged their support to the successful floating of the bonds. They were thereafter referred to as the "One-hundred-and-fifty". Should be circulated throughout the city in order that the commissioners could know with what favor the bond issue was being received by the taxpayers. THE LOGAN REPUBLICAN said "Such a procedure hardly seems credible, at least, until a definite plan has been outlined."¹

The arguments continued with a letter appearing in THE JOURNAL signed "A Taxpayer" in which he also called for more information. He further lamented the fact that the citizens were being bonded from every side. The people on the Logan "Island"² were going to have to pay $175,000 for a sewer and the school was going to bond again in the near future.

¹. THE LOGAN REPUBLICAN, April 3, 1923, p. 1.
². See page 64.
"Taxpayer" wondered if there was ever going to be a limit to the bonding business.

THE JOURNAL carried another letter signed "Taxpayer" in which he said he was not convinced that the proposed city light plant would be a revenue producer. He called attention to the fact that the then existing city light plant had an appraised valuation of $276,000. He asked the question "Are you junking $276,000 worth of property and covering it with a new indebtedness of $300,000?" 1

Another "Taxpayer" in the May 1 issue of THE JOURNAL asked what the extra $66,000 asked for over and above the $265,000 cost estimate of the proposed plant contained in the Wiley report was to be used for. He further wanted to know how much was included in the Wiley plans for engineering. In closing the commissioners were asked to answer the above questions.

Either "Taxpayer" was working overtime or else there was more than one "Taxpayer", for the May 1 issue of THE JOURNAL contained another letter signed "Taxpayer". In this letter he came up with some very interesting figures.

Will the Mayor and commission tell us how we are going to meet the payments of the bonds and the interest on our electric light investment, should we vote the $300,000 bonds plus the $80,000 outstanding a total of $380,000? Granting that we would not pay more than five per cent for our money, at this rate the total amount of interest paid during the life of these bonds would be $199,500 provided that we pay equal installments for 20 years, that is if we pay off $19,000

1. THE JOURNAL, April 21, 1923, p. 1.
a year of the principal.

The first year’s interest and bond installment would amount to $38,000, the second year $37,050, the third $36,100, and the last year or twentieth year and final payment would be $9,950, making a total interest and principal to be paid of $579,500...This does not appear to be a rosy investment.

The next argument was an editorial appearing in THE LOGAN REPUBLICAN, May 8, 1923. This was exactly opposite to the one that appeared in THE JOURNAL. This was a summary of the inspection of the city light plant taken by the advisory committee, the editors of the two newspapers and Superintendent Heber Maughan of the Logan City Light Plant. The editor of THE REPUBLICAN found the machinery running smoothly, and everything inside the power house spick-and-span, and well-cared for, and the pipe line carrying its load just as it had been doing for the twenty previous years. The editor concluded that the city plant was in apparently good condition, therefore, there was no cause for alarm at that time.

Thus the two newspapers split over the proposed bond issue. The editors looked over the same electric plant and lines and came to very different conclusions.

THE LOGAN REPUBLICAN published another editorial on May 8 in which it again called for more light on the bonding proposal.

If the venture is all right there ought not to be objection to letting the people know. If it will not bear the light of day there is all the more reason for its investigation. The people will pay the interest and their children and children's children will pay the principal.\footnote{Ibid.}

Most of the written opposition was voiced on the pages of THE LOGAN REPUBLICAN. On May 10 another article was written by the editor in which he took issue with the commissioners and their special committee. The commission and advisory committee had circulated a circular entitled "Shall We Sell or Rebuild Our Light Plant?". This circular was designed to give the people of Logan the facts and figures about the bond election. THE LOGAN REPUBLICAN took issue with the circular.

In part the editor said:

As we understand it this is an election for the purpose of voting bonds for the building of a light plant, and not an election for the sale of the city plant.

If an attempt were made to sell the city plant, taxpayers should know that the plant would first have to be appraised and the matter would then have to be submitted to a vote of the people.

It is apparent that the people do not want to sell the plant, and THE REPUBLICAN wants it understood that it does not want to have the plant sold.\footnote{Ibid., May 10, 1923, p. 1.}

The article then proceeded to give what it considered to be the facts about what the bond election was for. It said the city electric plant then in operation would not be dealt
a death blow if the bonds were not voted. The editor went on to say that he believed the people of Logan would be in favor of a hundred per cent plant and he was in favor of this but he was not in favor of one that would still require the purchase of power from the Utah Power and Light Company when completed. In closing the editor wrote:

The issue is not the sale of the plant. The issue is for the voting of bonds on a plant that is excessive in its figures, inefficient, and coming at a time when the people are burdened to death with interest and taxes. Vote "No" on the bonds and the plant will be saved and maintained just the same.

The same issue of THE LOGAN REPUBLICAN also ran a list of eleven reasons why the bonds should not be voted. (see Figure 8 page 52)

The next article against the bonds appeared in the May 12 edition of THE LOGAN REPUBLICAN. In this article "Mr. Fairplay" called attention to the way the City Commission was handling the issue. It was contended that the City Commission did not want to make the Wiley Report public. When a report was made by a special committee of the Chamber of Commerce that had been appointed to investigate the Wiley report a member of the Chamber moved that the Wiley report be made public. "Mr. Fairplay" said the Mayor, who was a member of the board of directors of the Chamber of Commerce, strongly opposed this motion. President Porter of the Chamber of Commerce cast the decisive vote and the report was made

1. Ibid.
1. Logan City is supplying about 40 percent of the electric service in Logan.

2. Logan City plant is now producing about one-half of the power it sells and is purchasing the balance from Utah Power & Light Company.

3. Sixty percent of the electric service in Logan is supplied by Utah Power & Light Company.

4. City plant accounts are not kept so as to show what has been made or lost. $80,000 bonds issued 20 years ago to build the plant are still unpaid.

5. Proposed plant can operate at full capacity six months each year and one-half capacity other half.

6. When greater demand for power exists the proposed new plant will be running one-half capacity.

7. The proposed plant will never be able to supply all the service required by Logan.

8. It will still be necessary to purchase power for Logan City customers, and in addition, the Utah Power & Light Co. will have to serve a large portion of users direct, and provide service for all future growth.

9. It was absolutely imperative that meters were installed.

10. Logan City has a very favorable contract with the power company whereby it can purchase whatever power is required.

11. Logan City can purchase all the power it requires from Utah Power & Light Company, under the present contract and save $5000.00 per year.

Figure 8. Arguments on "Why you should vote 'no'" on special bond election taken from THE LOGAN REPUBLICAN, May 10, 1923.
public. If was further stated that the city could save $5,000 per year by purchasing all of its power from the Utah Power and Light Company.

A letter signed "Supporter of the City Plant," published on May 12 objected to the committee's plan to install meters for the purpose of increasing the revenue from the city plant. He said: "We believe the rates are high enough as they are, and are unwilling to vote bonds to increase the present rates. We are also opposed to an increase in taxes, which our investigation leads us to believe we will be compelled to pay if this bond issue carries."¹

In the May 12 edition of THE JOURNAL Mr. Elmer Johnson answered the mayor's friend from Salt Lake City. He said that he was against the proposed bond issue but denied that he was sent to Logan by the Utah Power and Light Company.

The May 15 edition of THE LOGAN REPUBLICAN stated editorially:

Just before the battle the taxpayers are thinking most of bonds. Whether it is better to continue our little plant with such repairs as it needs for upkeep, and continue to draw what supplementary power we need from the Utah Power and Light Company under the most reasonable contract ever entered into, and keep Logan the best and cheapest lighted city in the world for the next six years and in the meantime lay plans for an adequate lighting system, or by bonding, run in debt, pay interest to Wall Street at a time when the taxpayers are burdened almost beyond human endurance, that is the question.²

1. Ibid.
The taxpayers' committee ran an article in the same issue which called attention to the fact that if the bonds were floated, meters would be installed. And the article concluded with this sentence, "Taxpayers would avoid higher rates and higher taxes by voting "no" on the bonds."

The same issue also ran an article written by "Taxpayer" in which attention was called to the fact that President Heber J. Grant, of the Church of Jesus Christ of Latter Day Saints had admonished the people to stay out of debt. "Taxpayer" concluded by saying, "We never lose by following the advice of our leaders. President Grant was right in telling us to get out of debt and keep out. Let us follow it by voting "no" on the bonds."

The arguments for the opposition were summarized and concluded by THE LOGAN REPUBLICAN in an article entitled "A Plain Statement of Facts in the Proposed Bond Issue." (See Figure 9 page 55)

Results of the Election

The commission met May 21, 1923, to canvass the votes. They found that 979 people voted for the bonds and 214 voted against them. (See Figure 10 page 56) This total vote of 1193 represents by a large margin, the greatest number of voters voting in a special bond election. In the general election of 1923, held November 8, 1748 voters turned out.

1. Ibid.
2. Ibid.
Our conclusions are, that the voting of a $300,000 bond at this time is ill advised and should be defeated.

1. Because the heavy bonded obligation the taxpayers now have.

2. Because this will make a heavy increase in taxation.

3. Because the City's electric power requirements are adequately provided for, for some time to come.

4. Because of a saving of about 60,000 by operating under the present system, and because of a saving in construction costs in labor and materials of $75,000 if built at a time when cost are near normal.

5. Because a total saving to the city of $135,000 can be made by deferring building.

6. Because the city can remain in the electric business on a more profitable and business like basis without building a new plant at this time.

7. Because if the new plant is built, we will still be dependent upon the Utah Power and Light Company to supplement our plant as well as supply a large percentage of the users of electric service, and in addition supply all future growth of Logan.

8. Because these conclusions are confirmed by the report of the Special committee on investigation of the proposed new plant.

Figure 9. Arguments against the proposed bond issue, published by THE LOGAN REPUBLICAN, May 15, 1923, p. 5.
<table>
<thead>
<tr>
<th>District</th>
<th>For Issue</th>
<th>Against Issue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 &amp; 2</td>
<td>197</td>
<td>26</td>
</tr>
<tr>
<td>3 &amp; 4</td>
<td>181</td>
<td>37</td>
</tr>
<tr>
<td>5 &amp; 6</td>
<td>182</td>
<td>57</td>
</tr>
<tr>
<td>7 &amp; 8</td>
<td>142</td>
<td>49</td>
</tr>
<tr>
<td>9 &amp; 10</td>
<td>277</td>
<td>45</td>
</tr>
<tr>
<td>Totals</td>
<td>979</td>
<td>214</td>
</tr>
</tbody>
</table>

Figure 10. Voting results on 1923 electric bond issue by districts
Thus the bond election vote represents a gain as far as voters are concerned because only property owners could vote in the special bond election. This would normally cut the eligible voters in half. The population of Logan increased by only three thousand over the population in 1916. The number of voters in the 1923 bond election increased by almost 900 over the number participating in the 1916 special bond election. Logan, in 1923, had a population of approximately 10,000.

Most observers agree that this was by far the hardest fought and most violently contested special election in Logan history. Much more controversial than the 979-214 vote would indicate. Such men as H. Ruben Pederson, Reed Bullen, Roy Hall and many others have expressed this view. Controversy or no controversy Logan came out in favor of public ownership of utilities by a margin of three to one.
THE SPECIAL BOND ELECTION OF 1949

From 1923 until 1949 Logan City was financed through revenue bonds and taxes. In 1949 the City Commission met on May 31 and adopted an ordinance providing for the issuance and sale of negotiable coupon bonds. Three hundred seventy thousand dollars worth for water works bonds and sixty thousand dollars for electric light bonds was proposed. Thus the 1949 bond election was initiated. This bond election was unique in that no organized opposition developed, and no objections were raised in the newspaper. (THE LOGAN REPUBLICAN had gone out of business by this time and only one newspaper remained in Logan.) In order to inform the public the editor of THE HERALD JOURNAL interviewed Commissioner Neilson and published an account of the interview in the paper. This was the only printed material on the bond issue. For this reason the entire interview will be included in this paper.

Question-----If the bond election is favorable to the proposed project when will actual construction begin?

Answer------Within 30 days. It will be completed by October 1 or thereabouts. The new pipe will be from 2½-30 inches in diameter, replacing an 18 inch wooden stave pipe. It will carry all the water we own at the present source of supply.
Question-----Are Logan City's water rates higher than the average community of comparable size?

Answer------The rates are not higher—they're lower than in most cities the size of Logan. By insuring this additional water supply, we believe that the low rates can be maintained—with the additional advantage of adequate water.

Question-----Would you briefly describe the service extended by the water department?

Answer------There are about 4500 water connections in the city at the present time—that many outlets for our culinary water. Besides these service connections to homes and business, there are about 175 hydrants, about 20 outlets to church units (which receive the service free) service to parks and playgrounds, street department use and to the many schools and other public buildings. All of these clients need—and deserve—adequate water in a city the size of Logan.

It is not the intent or the desire of the City Commission to force this project upon the people. But engineering consultants have emphasized that the new flowline and reservoir are urgent needs for this city.

Everyone in the city who is anxious concerning civic welfare should weigh these facts, and should go to the polls tomorrow. If those who agree the project is necessary remain complacent and don't vote, then the minority who are against it may defeat this necessary and vital program.

Question-----What is the purpose of the $430,000 bond election?

Answer------To secure money for building a 2 million gallon reservoir east of the golf course; to install 16,000 feet of new flowline in Logan Canyon, extending from a point one-half mile east of the Davis camp, east to the springs—which are located about 5 miles from the mouth of the canyon. Engineers claim that the project can be completed with only about one week's time for using canal water for culinary purposes in Logan.
Question----Is such a project seriously needed?

Answer-------Yes. Consulting engineers state that Logan City is badly in need of additional reservoir capacity, and new pipeline. They estimate that the lifetime of the present supply line is 30 years; it has been used 32 years now. One and one-half miles of the line at the lower end has already been replaced; it was worn out in 1940. The new reservoir is needed to supplement the present one million gallon structure. Millions of gallons of water are lost each night because the present reservoir is inadequate for storage. Increased demands for culinary water in Logan necessitated such a project.

Logan citizens--because of increased population and usage--are using about five times more water today than they did 20 years ago.

Question----From whom is the city borrowing the $430,000?

Answer-------The city is issuing bonds, and selling them to lending companies at an interest rate approximating 1.75 per cent.

Question----How long will it take the city to pay off this indebtedness?

Answer-------Ten years.

Question----From where will the revenue be derived to pay off the bonds?

Answer-------From the waterworks revenue. There will be no additional municipal taxes levied to pay for this project. Water department income approximates $66,000 per year. We expect to be able to pay about $46,000 per year on the new indebtedness.

Question----Is the entire city metered now, so far as water consumption is concerned?

Answer-------Yes--it will be, following the installation of about 150 offset meters this year.

Question----Do you consider this project to be a forward looking policy, so far as city administration is concerned?
Answer-------Most assuredly. I believe that the water department has been neglected for 25 years and it's about time this system was improved and expanded to keep pace with the increasing population and needs of Logan City. Water is one of our most important and most inexpensive commodities. We have the advantage of possessing an excellent source of water; but our distribution system has not been adequate.

Additional reservoir space is vital—especially during summer months. Shortages will ensue if a reservoir is not built. And then in order to keep the reservoirs filled, we must have a new and adequate flowline. The present line is virtually obsolete, and it can't possibly fill the needs.

Results of the Election

When the commission met and canvassed the votes they found that 261 people voted for the water bonds and 147 voted against them. While 246 people voted for the electric light bonds and 158 voted against them. (See Figure 11, page 62)

The city of Logan in 1950 had a population of 16,832 according to the census. This represents a growth of six thousand people over the population in 1923. Yet in this 1949 special bond election only 408 people took the trouble to vote. In 1950 there were approximately 7,500 registered voters in Logan. Of this number the county auditor has estimated that almost half would be property owners. Thus, only 408 people out of approximately 3,750 eligible voters turned out to vote. This indicates clearly the indifference displayed by the average citizen on bonds proposed by the City Council.

1. THE HERALD JOURNAL, April 28, 1949, pp. 1,10.
Figure 11. Voting results on 1949 electric light and water bond issues by districts.
THE SPECIAL BOND ELECTION OF OCTOBER 8, 1957

The 1957 special bond election had its beginning July 16. Mr. Henry Hurren, H.J. Salisbury and Russell Hansen, local bank officials and Al Burrows of the Edward L. Burton Investment Brokers Company advised with the City Commission on plans for the financing of the proposed city sewage plant.

The commission reported that they had requested the State Water Pollution Board to approve a primary sewage treatment plant and a new sewer trunk line on the "Island" to eliminate excessive ground water. (The "Island" is a part of Logan City running east of First North as far as the first low mountain range. Most of the area is south of First North.) The total estimated cost would be $800,000. A primary treatment plant was to be so constructed that secondary treatment facilities could be added at a later date. The total cost of both primary and secondary treatment plants including a trunk sewer-line on the "Island" was estimated to cost $1,400,000.

Mr. Burrows suggested that a thorough study should be made of various plans for financing the project. He indicated that the success of financing such a project depended a great deal on the length of time bonds run, interest rates, type
of bonds to be issued—whether general obligation or revenue bonds or a combination of the two. He offered to submit a proposal for preparing such a study.

On July 13, 1957, Mr. Henry Hurren of the Cache Valley Banking Company and Al Burrows of the Edward L. Burton Company of Salt Lake City again conferred with the commission on a program for financing the proposed sewage disposal plant. Mr. Hurren stated that the Edward L. Burton Company was a reputable business firm that furnished financial advice and services to many taxing agencies in the state of Utah and that he recommended them very highly.

Commissioner J. Vernon Cook then stated that he personally did not see the urgency of bonding the city for a sewage treatment plant at the time. He said that he preferred a pay as you go plan. Commissioner Ben W. Evans said that many of the citizens of the community were urging immediate action for the construction of a sewage treatment plant. He said that he felt the citizens should be given an opportunity to vote on the proposed improvement. He further recommended that the city employ the Edward L. Burton Company to furnish a study of the various methods of financing the project as a step in preparation for the calling of a bond election.

Mayor Owens stated that it had been the practice of the commission to call for bids on various proposals. He said that several financial institutions had indicated an interest in submitting bids for furnishing fiscal service.
On August 5, at the invitation of the City Commission, Mr. Al Borrows, president of the Edward L. Burton Company investment brokers of Salt Lake City, discussed with the commission matters pertaining to the financing of the proposed Logan City Sewage Disposal Plant.

The commission reported that they were certain that the sewage plant could be constructed at a cost to the city of $1,000,000 with a Federal Aid Grant of $250,000.

Mr. Burrows then presented an agreement in which his company would furnish a study of all financial proceedings in connection with the issuance and sale of bonds for the financing of the plant.

Commissioner Evans, then moved that Mayor Owens be authorized to sign the agreement for the city. This was seconded by J. Vernon Cook and the motion was carried unanimously.

Arguments and Methods Used by the City Commission

On August 27 the commission passed an ordinance providing for the holding of a special election in Logan City on October 8, 1957, for the purpose of submitting to the qualified taxpaying electors thereof the question of issuing $1,000,000 worth of sewer improvement bonds.

In their September 10 meeting the commission decided that the first order of business in their meeting prior to October 8 would be on matters concerning the bond issue.

1. Pederson, H. Ruben, City Records, Book L, p. 82.
The commission issued a special invitation to the public to meet with them and participate in the discussions each meeting.

On September 17 the commission met and found that only Fred B. Baugh and Kenneth Baugh had come to advise with them on matters pertaining to the sewer improvement bond. The lack of public interest must have appalled the commission. But according to the plan they advised these two men as follows:

The $1,000,000 bond election is for the purpose of defraying the cost of supplying the city with sanitary sewer facilities through the extension and improvement of its existing sanitary sewer system and through the construction of a sewage disposal plant. Sewage plant to be a secondary treatment unit as required by the State Water Pollution Board, which will eliminate polluted sewer water from entering public streams.

The bonds, interest and operation expenses are to be paid from revenue received from a three mill tax levy and a minimum fee of $2.00 per month from all sewer service connections.

On September 24, the commission met once again. Mr. Clyde Hoth and J.L. Montrose were in attendance. Their purpose for attending the meeting was to discuss with the commission the proposed bond issue. Mr. Hoth and Mr. Montrose were informed that the proposed $2.00 per month sewer service fee and the three mill tax would finance the retirement of the bonds and interest over a period of approximately fifteen years in addition to supplying funds for the operation and maintenance of the treatment plant.

Ibid. p. 88.
Mayor Owens stated that Logan City would not be able to grow, if it did not have a sewage treatment plant. The State Water Pollution Board had notified Logan City that no additional sewer districts could be added to the one then present before a sewage treatment plant was constructed. Mayor Owens felt that this would definitely curtail the development of several sections of the city where no sewer system was then provided.

Mr. Harold Wadsworth and William Skidmore met with the commission on October 1 to inquire how much Utah State University would be assessed if it connected with the proposed sewage treatment plant. They were advised that no sewer service fees had been adopted. However, the engineering study accepted by the city proposed a $2.00 per month fee for each sewer connection and a three mill tax levy to finance the construction and operation of the sewage treatment plant. They were further told that some cities assessed schools a fee of five cents per pupil per month during the school season.

The City Commission also sought to give the public pertinent information through the Columns of THE HERALD JOURNAL.

On September 11 the following appeared in this newspaper:

Many townspeople do not fully understand what the program seeks to do. Some have thought that it includes a sewer system for the Island area; that is not so. Rather it would provide a larger sewer main to replace the present one on Third South, outfall lines converging to the proposed sewage treatment plant, and the plant itself.
The trunk line is estimated to cost $1,400,000 and the outfall lines about $137,000 with the treatment plant, $1,000,000.

A statement of further explanation, signed Mayor Owens, Commissioners Ben W. Evans and J. Vernon Cook, called attention to the fact that the bonds if approved would be payable in not to exceed twenty years but anticipated revenue was to be set up so as to pay for them in fifteen years. The interest on the bonds was not to exceed five per cent per annum. The money to pay the debt was to come from a three mill tax levy on all property in the city and a two dollar per month service charge for every sewer connection. This two dollar service charge would only apply to private homes; apartments, motels, office buildings, etc., were to pay more. The exact amount was not given.

On September 17, 1957, the commission ran an article in THE HERALD JOURNAL stressing the fact that the first order of business at their regular weekly meetings at 5:30 p.m. was to be a public discussion of the proposed million dollar bond issue which would provide a sewage disposal system for the city. Auditor H. Ruben Pedersen said that the present Logan disposal system was of the open ditch type, flowing directly into the Cache meadows. He again emphasized at the close of the article that the meetings were open to the public.


2. Ibid., September 17, 1957, p. 1.
A further article published in THE HERALD JOURNAL estimated that there would be about 3600 sewer connections in the city.

Mayor William W. Owens gave a talk before the Temple Fork Chapter of the Sons of Utah Pioneers. In this talk he said, "In my opinion, and from facts we have available, it will be impossible for Logan City to further expand its residential and business potential without a proper sewage disposal system."¹ THE HERALD JOURNAL went on to state that Mayor Owens reviewed many of the city's problems as they applied to sewage disposal and noted that the recent state anti-pollution regulations virtually demanded that a municipal sewage treatment plant be installed—to prevent increased pollution of state waters west of the city. "We have been asked by the anti-pollution board what we are doing to meet the problem, and our explanation of current steps apparently have met the board's approval," Mayor Owens continued, referring to preliminary engineering studies of the proposed sewage treatment plant, and the forthcoming bond election.

He further stated that he was quite certain that if Logan City failed to continue with the $1,000,000 treatment plant program it would probably face a law suit. He also noted that building of subdivisions in areas contiguous to Logan would not be possible until suitable sewer districts

¹. Ibid.

were created, and the outfalling sewage processed by a
treatment plant. He said that there were many sites with-
in the city and surrounding it that could not be served by
septic tanks or cesspools.

Mayor Owens then reviewed the proposed bond election,
and answered questions that arose from the floor. He noted
that the project was to improve existing facilities on the
South Trunk Line and not to install any new sewer districts
on the "Island". This would necessitate converging outfalls
leading into the treatment plant west of the city.¹

The Sunday issue of THE HERALD JOURNAL September 29,
1957, contained a summary of the city's sewer situation
written by a member of the City Commission. The summary
stressed again the fact that Logan would be unable to grow
unless it had a better sewage disposal system. It also stated
once again that Logan would ultimately face a law suit if
the bonds were defeated.

On October 4, 1957 the editor of THE HERALD JOURNAL
wrote that Mr. Antone Moody's social studies class at Logan
Junior High School had attended the Logan City Commission
meeting that week to gain information concerning the sewer
bond election. Their number represented more than all adults
who had shown up to seek the same information.

An advertisement sponsored by THE HERALD JOURNAL appeared
in that paper September 4, 1957. This advertisement called

¹ Ibid.
attention to the fact that all registered voters in the city who had paid a property tax personal or real, were eligible to vote in the election. If property was jointly owned by husband and wife, both were eligible to vote. An automobile tax also qualified one to vote in the special election. The payment of taxes was all that was necessary to qualify a citizen to vote, further or special registration was not necessary.

Arguments Used in Favor of the Proposed Bond Issue

On the editorial page of the September 8 edition of THE HERALD JOURNAL was found a plea to the voters to study the bond question very carefully. Mr. Ray Nelson, the editor, said that "every person owes it to himself, as well as to Logan City, to thoroughly study the proposal and weigh both sides of the issue carefully."\(^1\) Citizens were further told that THE HERALD JOURNAL would make every effort to inform them on the issue.

The September 22, issue of THE HERALD JOURNAL carried another editorial written by Mr. Nelson. Mr. Nelson told the people of Logan that THE HERALD JOURNAL felt that the passage of the bond issue was absolutely necessary if Logan was to keep pace with other communities. The only possible objection against the issue was the cost. But this would only amount to $30 per year for the average family. It was further pointed out that 32 cities in Utah either had

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\(^1\) Ibid., September 8, 1952, p. 2.
sewage treatment plants or were in the process of building them.

Mr. George B. Everton Sr., a candidate for mayor in the November election, wrote a letter to THE HERALD JOURNAL favoring the bond issue. Mr. Everton contended that many lives would be lost if the citizens of Logan refused to properly treat their sewage. The proper treatment of sewage would prevent epidemics and save the health authorities the trouble of forcing the city to properly treat their sewage.

The following advertisement appeared in the September 29 issue of THE HERALD JOURNAL. It was put there by the Chamber of Commerce, Logan Junior Chamber of Commerce, Logan Business and Professional Women, Logan Wildlife Federation, and the Sewer and Sanitation Committee. These organizations had a combined membership of almost 1,000. The advertisement stated:

There are many reasons why the bond issue deserves your vote.
Further expansion in residential areas will be almost impossible because of state pollution laws which prohibit the dumping of additional sewage in state waters. Thus if Logan City is to grow as far as number of homes is concerned, its sewage facilities must meet state statutes.
It is improbable that an industry of any size would consider locating in Logan without having a modern sewage disposal system in operation.
Logan is the only Utah city of major proportions that does not have a sewage disposal plant or have one in the planning stage.
The cost of the sewage disposal plant and sewer system will be spread evenly throughout the city.
A modern sewage disposal plant is necessary if we are to protect the health of our community.
The small annual expenditure that would be required of each family constitutes a big investment in the future of Logan.

Encourage your neighbors. Vote "yes" on Tuesday October 8.1

In its October 2, 1957, meeting the Logan Junior Chamber of Commerce passed what they called a community improvement step. It was a resolution urging townspeople to accept the sewer bond issue for vote October 8. The resolution stated that for the future health of the Logan citizenry and therefore for the health and the well-being of Cache Valley, the citizens should vote "yes" on the question of issuing the million dollar bond issue.2

The October 6, 1957 issue of THE HERALD JOURNAL carried this editorial.

Several who oppose the present proposition state their preference instead for a ten or twelve year pay-as-you-go plan, presuming the project ever was completed under this holding-over through several city administrations, could attain the maximum efficiency in construction. At the same time there is the distinct possibility that increased cost of construction during such a lengthy period could be many times any savings that might be effected through an alternate plan.3

Arguments Used Against the Proposed Bond Issue

The October 6, 1957, issue of THE HERALD JOURNAL had this to say: "A considerable amount of opposition to the proposed bond project has developed within the past week."4

1. Ibid., October 3, 1957, p. 1.
2. Ibid., October 6, 1957, p. 2.
3. Ibid.
4. Ibid.
The bulk of this opposition was carried by a "Citizens Committee". This committee was led by Fred Baugh and Joseph C. Jacobson. These men were large property owners in Logan. In the October 7, edition of THE HERALD JOURNAL they ran an advertisement which said:

**BE SURE TO VOTE "NO" ON THE PROPOSED SEWER BOND ISSUE TUESDAY, OCTOBER 8.**

**REASONS WHY WE THINK YOU SHOULD VOTE "NO".**

1. The river is as polluted before the sewer empties in as it is afterward. This is proven by tests made at lowest run-off of river. How about Logan City making these tests available to the people? (Bear River is twice as polluted as Logan River.)

2. It is going to cost $50,000.00 per year interest and $35,000 to run the treatment plant. The total budget for Logan City roads for building and maintenance plus the garbage department amounts to approximately this same amount.

3. Logan City can do $100,000.00 worth of work on the sewer a year without changing the taxes or adding to sewer charge. This is proven by projects which Logan has paid on a pay-as-you-go basis.

4. High taxes and high cost of living will keep industry out more than any other thing. It will also be hard on business already established in Logan. There is no record where industry has stayed out of Logan because there is no treatment plant.

5. Logan City is facing the cost of a new hydro-pipeline which could go out anytime and that is the time we would have to go into debt. Logan also is facing in the very near future a badly needed junior high school which will also add to our taxes.

6. The present re-evaluation of property probably will increase taxes. Don't you think we should await the outcome of this program before we vote additional taxes upon ourselves?

7. Don't you think it would be better to work out our problems on a pay-as-you-go basis and save all increased costs of living for the people of Logan? This could be done in about 10 years without increased cost to the people. The sewer assessment and increased tax plan probably would last forever.

**P.S.** The hydro-plant lines were out temporarily Wednesday night. How long--who knows. How much will this cost?
IF YOU VOTE "YES" ON THE SEWER BOND ISSUE YOU SHOULD KNOW THAT THE MINIMUM SEWER CHARGES PER MONTH WILL BE:

1. Single family dwellings $2.00
2. Multiple family dwellings:
   First 2 @ $2.00 each
   Next 3 @ 1.50 each
   for each additional $1.00
3. Motels and Transient Apartments:
   First unit $2.00
   Next 3 @ 1.50 each
   From 3 to 10 @ 75¢ each
   From 10 to 15 @ 50¢ each
   All over 15 @ 40¢ each
   (vacancy for 30 days credit given)
4. Business institutions:
   For 5 employees or less $2.00
   For 6 employees or more $3.00
   For employees and public $4.00
   Plus 7¢ per 1000 gallons water metered into property (based on average yearly bill.)
5. Hotels $4.00 plus 15¢ per room for 1 to 20 rooms.
   Over 20 rooms $4.00 plus 7¢ per room.
6. Cafes, pool halls, etc. $4.00 plus 7¢ per 1000 gallons water.
7. Church flat rates $4.00.
8. Launderettes $3.00 plus 7¢ per 1000 gallons water.
9. Schools 7¢ per person per month (billed for 6 months period). Everyone available to this sewer system pays monthly service charges.
10. This would cost the University $350 per month plus $2.00 per month for each sewer connection to the quonsets and special housing. This is based on 5,000 students.
11. Logan City schools with over 3,400 students would be assessed approximately $238 per month.
12. The Eighth Ward does not get a sewer. If the Eighth Ward creates a sewer district, it will cost them $7.40 per lineal foot and then when it is in they will have to pay $2.00 per month per connection to use it.
13. The water that leaves the treatment plant is not pure and there will be no pollution signs taken down because of the treatment plant.
14. If you vote this sewer tax it will not run for 15 or 20 years, it will never be taken off.

UTAH TAXPayers FACED WITH 10% HIKE
The Utah Taxpayers Association reported today that Utahns must pay $66,600,000 in property taxes this year—a 10 percent increase over last year and 50
per cent higher than five years ago. The association said other state taxes and fees will amount to $82,000,000 while the total state, local and federal taxes Utahns must pay this year will amount to $118,000,000. To cut this tax load, the association suggested services be reduced, overlapping functions be eliminated, and subsidies and grants-in-aid be re-evaluated.

The taxpayers group added that adoption of Hoover Commission recommendations would save Utahns between 15 and 20 million dollars a year. With an increase in general taxes added to the sewer tax that would result from the bond issue, your cost of living will increase.

THE ABOVE PRICES ARE BASED ON 1/3 HIGHER COST THAN THE BRIGHAM CITY PLANT. THIS ADDITIONAL 1/3 WILL BE REQUIRED ACCORDING TO THE LOGAN CITY COMMISSION. ON FRIDAY, OCTOBER 4th WE WERE INFORMED THAT THE BRIGHAM CITY BOND ISSUE WAS BASED ON $250,000. LOGAN'S WILL BE MORE THAN 4 TIMES GREATER AND IT IS UNLIKELY THAT THEY WILL BE ABLE TO MAINTAIN THESE MINIMUM PRICES.

KNOW THE FACTS!! BE SURE YOU KNOW WHAT YOU'RE VOTING FOR WHEN YOU VOTE.

Results of the Election

When the City Council canvassed the votes they found that the bonds had been defeated by a vote of 1318 to 812. (See Figure 12 page 78.)

Twenty one hundred and thirty people went to the polls in this election. There were almost seven thousand registered voters in Logan in 1957. It has been estimated that at least half of these would be property owners. This means that about 45% of the eligible voters voted in this election. Contrast this to the four hundred and eight people who voted in the 1949 special bond election and it represents a substantial increase in interest on the part of Logan's citizens. According to the county auditor, there were fewer registered voters in 1957 than in 1950.
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Figure 12. Voting results of the 1957 Sewer bond issue by districts
SUMMARY

Special bond elections have been held in Logan since 1902. From 1902 until 1957 eight special bond elections have been held. In only one of these elections has the City Commission been thwarted in its effort to obtain an affirmative vote. This was in 1957.

The newspapers in Logan have supported the City Commission in every bond election, with the exception of THE LOGAN REPUBLICAN in the 1923 bond election. And here the paper was for the basic proposal but wanted it carried out in a different manner.

The electric light plant has played the dominant role in Logan City's general revenue bonding. This electric plant has caused by far the greatest discussion in Logan bonding. There was much more written material in the 1902 and the 1923 electric light bond issues than the others. The old argument of private versus public ownership of utilities has been present in Logan for many years but, public ownership has won out almost three to one.

The voting districts have been fairly even in votes cast over the years. (See Figure 13 page 79) Only districts nine and ten are very far ahead in number of votes cast.
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**Figure 13.** Votes cast in the bond elections over the years by districts.
They lead their nearest rival by 350 total votes cast.

In all of its bonding Logan has always paid its debts on time and has never had to default on one.

The 1923 bond election aroused the most excitement in Logan and by far the most written material appeared on this issue. This printed matter against this issue would lead one to believe that there was more opposition than the 970 to 214 vote indicates.

In the 1957 election the casual reader would have thought that the bonds would be overwhelmingly voted in the affirmative. The newspaper wrote many articles in favor of the issue and several clubs of Logan came out openly in favor of the bonds.

City The water bond elections held in 1916 and 1949 were the least controversial of any of the issues. People seemed to feel that these bonds were necessary and a good thing.

1904, the City Council was able to bond the city for another $15,000 to complete the building of the city plant. In 1923, the tax paying citizens of Logan once again voted to re-build a city electric light plant. It was agreed that the old plant had served the populace well but a new plant was needed. A few far-sighted citizens led out in this venture and convinced at least 979 people that this was the right thing to do.

Once again in 1949, the citizens of Logan voted $60,000 worth of bonds further to improve the electric light system of the city. A total of $457,000 worth of bonds have been voted to construct a city-owned plant or keep it in operation.
CONCLUSIONS

In looking back over the various bond issues, with the good judgment that only hindsight can give, it is apparent that those people who were in favor of the bond issues have shown the best foresight. In 1902, the question was whether or not the city should construct and operate its own electric light plant. Sixty-five thousand dollars was the proposed cost of the plant. In earlier years the city had owned its own light plant and had lost money on the venture. The City Commission was firmly convinced that Logan could operate its own light plant and make money on the venture. At least 370 people believed as the City Commission did. In 1904, the City Council was able to bond the city for another $15,000 to complete the building of the city plant. In 1923, the tax paying citizens of Logan once again voted to re-build a city electric light plant. It was agreed that the old plant had served the populace well but a new plant was needed. A few far-sighted citizens led out in this venture and convinced at least 979 people that this was the right thing to do.

Once again in 1949, the citizens of Logan voted $60,000 worth of bonds further to improve the electric light system of the city. A total of $457,000 worth of bonds have been voted to construct a city-owned plant or keep it in operation.
How can one say that those citizens that voted in favor of the bonds for the electric light plant were far-sighted? In 1954, the city electric plant had a net profit of $136,125.06; in 1955, $144,999.22; in 1956, $146,248.39; and in 1957, $145,987.90. In those four years the total profit was $573,396.57. Thus in four years more than $100,000 profit was made over and above the total cost of the bonding over the years. In addition to this profit the city was provided free street lighting, and all city-owned and operated buildings were furnished free lights. In addition to this, Logan's citizens received their lights fourteen per cent cheaper than those people in Cache County who purchased their lights from the Utah Power and Light Company. The figures speak for themselves.

In looking back over the water bond proposals it must be concluded that those in favor of these proposals had the best interest of Logan in view. No one would argue that Logan City should go back to the method of using wells with each family providing its own water. City-owned and operated water facilities is by far the best method of obtaining water. Only time will tell whether those who voted "no" to the 1957 sewage treatment plant proposal were the far-sighted citizens.

The City Commission has always proposed bonding the city for things that would either improve the city or make money for the city. The commission has never called for the issuance of general obligation bonds for the purpose of
meeting current expenses. This is a good thing. It indicates that the city from year to year has been able to live within its means. Going into debt for something that will make money in the long run is different from going into debt because the city could not operate within its means. The farmer is thought wise if he buys a piece of land that will eventually pay for itself. He would be thought foolish if he went into debt for caviar and T-bone steak. The same is true of city debt.

A further indication of the soundness of Logan's debt policy is evidenced by the fact that the city has never had to default on a debt. The debts have always been paid on time.

Property tax in Logan for many years was sixteen and one-half mills. The City Commission attributes this low tax rate to the city-owned and operated electric plant. This is another indication of the soundness of the City Council proposals.

The citizens of Logan have remained true-to-form Americans in that they have not turned out in great number to vote. In the 1920 presidential election only 49 per cent of the eligible citizens of the United States voted; in 1924, only 51 per cent; in 1928, 54 per cent and in 1944, 57 per cent.

Since 1902, the total vote "for" and "against" the bond issues has only been 4,942. The total number of registered voters in Logan in 1957, was approximately 7,000 and at least half of these would be property owners. If
all of the people had voted who were eligible in the 1957 bond election they would have equalled the number that had voted since the first special bond election was held. The indifference is further demonstrated in that only 204 citizens bothered to vote in the 1916 bond election. However, if enough controversy could be stimulated the people became more enthusiastic and more voted. For example, almost 1,200 voted in the 1923 bond election. This represents about 50 per cent of those voting who were eligible.

If people are against an issue they will turn out to vote. Some 2,130 people voted in the 1957 bond election. Of these 1,318 were against the issue. Adding together the total negative vote since 1902, we find that only 766 people have voted against all of the bond issues. In 1957, almost twice as many people voted against the measure as have voted negatively over the years.

The question might be asked, "Why were the 1957 bonds defeated?" Mayor W.W. Owens, Commissioners Ben Evans and J. Vernon Cook, Ray Nelson and Fred Baugh have expressed their opinions as to why the measure failed. To begin with the City Commission was split over the matter. Mayor Owens and Commissioner Ben Evans were in favor of the measure, but J. Vernon Cook was against the proposed plan. He was in favor of a treatment plant but felt it should be constructed on a pay as you go basis. This dissension weakened the proposed plan in the eyes of the people.
Commissioner Evans said that the measure was not properly sold to the people and that the opposition had gotten a head start on the matter. The opposition used what, to him, was false information. It was reported that the money raised from the bonds would be used to purchase a sewer for the "Island." This was not the case. Thus they were able to convince many voters that the measure should be voted down. He further stated that the City Commission was partly to blame for the defeat of the bonds because they did not push and publicize the matter enough.

Mayor Owens felt that the citizens had obtained from the opposition some wrong ideas in that many thought the bonds were being floated to purchase a sewer for the Eighth Ward, which was not the case.

Mr. Ray Nelson, editor of THE HERALD JOURNAL, felt that the people wanted a sewage treatment plant, but they did not want to go in debt one million dollars to pay for it. The bonds were further hindered by the fact that if floated, they would increase taxes. The Farm Bureau, according to Mr. Nelson, had passed a resolution that it stood opposed to any further increase in property taxes for any reason and this was reflected in the votes of the Logan property owners.

Commissioner J. Vernon Cook expressed the opinion that the people were convinced that a pay-as-you-go plan would be the better method of securing the treatment plant. The Water Pollution Board indicated that Logan had better build the
treatment plant or pay the consequences. Commissioner Cook thought that this had a negative effect on the voters in that they did not like to be told that they had to do something.

Mr. Fred Baug, owner of a Logan plumbing establishment and leader of the opposition, said he and his followers were not opposed to the treatment plant but only the way in which the City Commission was going about to obtain it.

The conclusion can be drawn from the above thoughts expressed by several leading citizens in Logan that vigorous action by the City Commission and a complete agreement between the members of the commission would have contributed much to a successful bond issue.

The 1957 bond issue was the only one in which the City Commission said it would raise taxes should the bonds be voted. It was also unique in that it came in a boom period when prices and labor were very high. The people in favor of the bonds seemed to show only that Logan would not grow without the proposed plant. Perhaps the voters felt that they did not care whether Logan grew or not. Ofttimes people feel that small cities are much better places to raise their children.

The record indicates that over the years very few citizens, or organized groups have openly opposed the basic proposals of the City Commission. The public arguments against the bond issues have generally opposed the method proposed by
the commission for putting their plan into operation. In 1923 those against the bond issue, wanted a city light plant that would provide one hundred percent of Logan's light. Those in favor of the bonds voted for a plant that would provide half of the city's light. This then was a difference of opinion with respect to degree and not a difference in regard to basic policy.

In 1957, those in opposition to the City Commission were not opposed to a sewage treatment plant but they wanted to build it by paying for it as it was constructed. This general theme has run throughout the general obligation bonding of Logan.

The electric light bond issues have clearly identified a basic trait in the Logan populace. They did not argue in 1902, or in 1923, whether or not the city should own its own light plant. They were not concerned with public versus private ownership as a basic moral ideal. They were almost exclusively concerned with whether or not the proposed light plant could and would make money. They wanted lower taxes. If private ownership would have lowered their taxes they would have voted for that. Because they thought city ownership would lower taxes they voted almost three to one for that. Of course other factors entered in but the primary factor was the economic one.

General obligation bonding has had a very interesting history. Much reading material has appeared in support of
the bonds and much has appeared against the bonds. Those citizens who have an interest in Logan would enjoy reading about those bond issues discussed in this thesis.

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