

LAS VEGAS AGE

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TAXING ELECTRIC POWER

Harley A. Harmon in an address to Las Vegas Rotary Club Thursday, entered into a discussion of the taxing problems of the state, declaring that transportation is the chief support of our tax structure. He declared railroads are not the only method of transportation subject to taxation, but cited such others as telephone, electric energy, radio, etc.

In this connection Mr. Harmon issued the warning that Las Vegas be not too hasty in its attitude. While he did not mention it directly, he was obviously referring to the controversy which has arisen over the proposed taxation of the Boulder Dam-Pioche power transmission line. At the same time in referring to electric energy as a subject for taxation, Mr. Harmon was, probably, reflecting the attitude of many of the people of the northern portion of the state who think of Boulder Dam power solely as something to be taxed for the benefit of the state treasury.

We quite agree with Mr. Harmon's admonition that we give this taxation question careful thought.

Unless Las Vegas people give the subject careful thought and vigorous action we will find that this desire of the north to tax Boulder Dam power will rob the state of millions of dollars in new taxable wealth which would return to the state treasury a hundred times more than could be hoped for through taxation of electrical energy.

It is well known by financiers and economists that the use of electrical power in a community creates new values which have been estimated at as much as \$2,000 per horse power. It is equally well known that cheap power is the magnet which draws enterprises and that capital is reluctant to invest in great industries if the power, the very basis of their success, is open to taxation by every changing state administration.

TAXATION OF TRANSMISSION LINES

There is every good reason why there should be no taxation of such lines as the Boulder Dam-Pioche line.

The Lincoln County Power District was created under the law passed by the legislature of 1935, with the intent to make it a corporation of a municipal character, without stockholders and to be operated solely for the benefit of the people within the district as a non-profit organization.

Perhaps it is not of such great importance to us of Las Vegas that the users of power in Lincoln county shall be required to pay a little more for their power.

However, with the extremely low power costs offered by Los Angeles and later to be applied to the vast amount of power from the Columbia river projects, the competition will prove, we fear, too strong for us to overcome in our efforts to induce enterprises to locate within the state, unless we promptly adopt the policy of allowing users within the borders of Nevada to use power at cost.

We are now face to face with the alternative of trying to

squeeze a drop of fat out of the golden goose, or of nurturing and encouraging that same goose to start laying golden eggs for the state treasury.

It is becoming more and more obvious every day that we cannot expect to put the precious 125,000 horsepower of Boulder Dam energy to work in Nevada unless we can offer every inducement to prospective enterprises that other communities can offer.

Yes, it is time for the people of Southern Nevada TO THINK!

NEVADA SHOULD TAX CALIFORNIA LINES

We have heard it argued that Nevada cannot permit the Pioche power line to go free of taxation unless we apply the same policy to the transmission lines to California.

Yes, it is time for the people of Southern Nevada TO Nevada and have no claim to exemption on that ground. They should stand on exactly the same basis as any other corporation organized and operated in another state.

On the other hand, there is no more reason to tax transmission lines built by Nevada power districts for the service of its own people than there is to tax the county court house, the city hall or our school buildings.

Schmidt Issues Annual Report

The annual report of Henry C. Schmidt, state controller, for the fiscal year ending June 30, 1937, indicates that Nevada is still "One Sound State," there being a treasurer's balance of \$2,942,632.25 on hand.

During the fiscal year the total credited to the general operating funds, used in transaction of the general business of the state was \$8,673,370.53. Disbursements were \$6,517,915.02. Transfers amounted to \$527,968.75, while outstanding warrants amounted to \$1,787.35.

Controller's balance for the general fund was \$1,627,486.75, while the treasurer's balance was \$2,638,274.11. There was \$131,508.35 of the treasurer's balance represented by frozen deposits in closed banks, which has been reduced from \$218,532.07, the amount when the banks closed in 1932.

Among other features of the report is a tabulation showing the financial condition of each county as shown by the reports of county auditors. Clark county is credited with the following assets:

Court house and equipment	\$120,000.00
Jail	11,000.00
School buildings and grounds	760,000.00
Road equipment	30,000.00
Poor farm and equipment	34,000.00

The number of registered voters in the county is given as 6,443; number of poll taxes collected 3,523; county indebtedness \$5,941.00; cash in the treasury, \$190,592.72.

In a transmittal letter to Governor Richard Kirman, Henry C. Schmidt said:

"Your attention is directed to the healthful condition of the state's finances which is quite pleasing in view of the diminished tax roll and the greatly increased cost of all commodities and supplies purchased and used by the various departments and institutions of the state."

Senator Against Power Taxation

Senator Pat McCarran issued a warning to taxing agencies in Nevada to go slow and be patient in imposing any taxation on the Boulder-Pioche power line and power district until they are "on their feet," according to a United Press dispatch.

In the interview the senator said southern Nevada "is now on the threshold of what promises to be the incoming of industries that will depend upon cheap power for their life."

"These industries must not be discouraged by premature taxation. The property that will be created will constitute a basis for taxation in the future far in excess of what can be expected now."

ARTHUR WENGERT IN AUTO ACCIDENT

Arthur Wengert, son of A. F. Wengert, was the victim of an accident while driving on the Boulder City road last Sunday. It is thought that the young man went to sleep at the wheel and the car left the road and came to a stop in a pile of rocks.

The impact threw young Wengert into the steering wheel with the result that his face was badly injured. He was treated by Dr. Hale B. Slavin and then taken to a specialist in Los Angeles.

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