

NEVADA, ARIZONA WOULD RECEIVE \$300,000 A YEAR BY NEW SET-UP

7-26-37
Both Senate and House
Bonneville Dam Bills
Have Boulder Riders

WILL PASS, SAID

Discriminatory Rate
Structure Program Also
Outlined In Measure

A guaranteed income of \$300,000 annually in lieu of taxation from the Boulder dam project was virtually assured Nevada and Arizona today with receipt of word that both the senate and house Bonneville dam measures include riders which would permit the states to receive lump sum payments of that amount over the 50 year amortization period instead of the percentage of surplus profits now provided.

According to a wire from Senator Key Pittman to Governor Richard Kirman of Nevada, the fact that this provision is in both bills means it cannot be eliminated in conference, and that it will be made the law of the land with the passage of the Bonneville bill by both houses, probably sometime this week.

In addition to this provision the bill authorizes the president to designate any governmental agency to hold hearings to determine whether there is an unreasonable discrimination against Boulder power rates by competing hydro-electric projects in the Pacific northwest and authorize the secretary of interior to remove any such discriminations.

ACCORDING TO a statement issued by State Engineer A. M. Smith, secretary of the Nevada Colorado River Commission, the proposal will be submitted to the state legislature in 1939 for ratification, with payments being made to the state immediately after that date.

The rider first was proposed by the Nevada Colorado River commission while in Washington this spring when it appeared that necessity for establishing the Boulder dam project on a competitive basis would result in a cut in the base rate for electrical energy, wiping out the "surplus revenues" from which Nevada would receive 18 $\frac{3}{4}$ per cent in lieu of taxation.

The state engineer last week expressed the hope that all of the \$300,000 could be diverted into the treasury's general fund for reduction in state property taxes, estimating that a 15 cent reduction could be obtained thereby.

HE INDICATED, however, that Clark county might be entitled to a share of the sum in lieu of its lost right to tax the dam and lake property within its borders. He predicted that this matter would be settled by the legislature in 1939.

Expectations that the Bonneville and Grand Coulee hydro-
(Continued on Page Three)

Nevada, Arizona

(Continued from Page One)

electric projects in the northwest will gain an advantage over Boulder dam areas in southern Nevada and California in attracting new industries to use cheap power, led to a drive last spring to reduce the price of the local product from 1.63 mills per kilowatt hour at switchboard to 1.00 mill per kilowatt hour.

INSTEAD OF providing the exact method by which this is to be accomplished, the bill leaves the matter entirely in the discretion of the secretary of interior in the event some governmental body determines the rates are sufficiently at variance to constitute discrimination.