

5-FOLD BOOST IN POPULATION OF DAM AREA IS SEEN BY BOARD

Public Service Commission Official Discusses Pioche Program

OUTLOOK IS ROSY

Evidence Supporting Prediction Is Written by Harmon

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An initial investment of \$8,000,000 in Clark and Lincoln counties, and a five-fold increase in the population of these two sections, is foreseen by the Nevada public service commission as a result of the proposed development of the Pioche mining district thru the use of cheap Boulder dam power.

Of this investment, \$2,500,000 would be expended in the Pioche district for erection of a mill and \$5,000,000 for concentrators and refineries in the Las Vegas area.

THESE PREDICTIONS and the supporting evidence are set forth in the findings of the commission in connection with the order creating the Pioche power district for the purpose of facilitating the construction of a power line from Boulder dam into that area. The report was written by Chairman Harley A. Harmon and concurred in by Commissioner Hoyt Martin. With only a small amount of burdensome detail eliminated, the report is reprinted herewith in full:

"In the testimony adduced at the Carson hearing on the 29th day of May it was disclosed that the area embodied in the application is entirely a mineralized district; that the basic industry is mining; that several large companies are operating within the said district; that one company alone has spent over five hundred thousand dollars in making a survey and soundings as to the ore bodies; that with cheap power, which could be furnished from the Boulder dam, this district could be highly developed, but without cheap power the district could not operate on a large scale which would be beneficial from a financial standpoint.

"It was also brought out at the hearing on the 29th of May and the 12th and 13th of June at Pioche, that it would be necessary to construct a line of approximately 135 miles from a substation at Boulder dam to the proposed district; that said line could be so constructed as to make it possible for the creation of other power

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districts along the line. In Lincoln County alone the town of Caliente, which has an assessed valuation in the neighborhood of one million dollars, could be supplied from the main trunk line.

"THE TOWN OF PANACA, being a farming community, has several thousand acres of land that could be developed for agricultural purposes if cheap power were made available and which could be brought under cultivation as well as supplying the community of Panaca.

"The Delamar district, a highly mineralized mining district, would also come within a reasonable radius of the main trunk line. The town of Pioche, which at the present time is supplied with steam power, could also take advantage of this contemplated line. It was also testified that there are over eight thousand acres of land along the line that could be developed which could produce food stuff and provide work for over one thousand families.

"It was also testified to at the hearings on both the 29th of May and June 12 and 13 that at least 99 per cent of the land over which the contemplated line would pass is public domain so that no thought would have to be given to the right of franchise over which the pole line would extend.

"It was estimated that there are approximately nine thousand acres of mineral ground constituting patented and unpatented claims; that the properties alone over which Mr. Snyder has jurisdiction, constitute in the neighborhood of 350 mining claims, both patented and unpatented, within the district, all of which are highly mineralized, and nine thousand acres in patented and unpatented land covering the holdings principally of the Combined Metals Production company, the Prince Consolidated Mining company, Bristol Mining company, the Contact Mining company, together with the Raymond-Ely Mining company, showing that there is a large area within the proposed district of both developed and undeveloped mining property comprising certain ore bodies that can be treated by low priced electrical energy.

"The total cost as estimated, including maintenance, advertising, contingencies, switchboards and transmitters at \$44,000 which would carry a load of 3,600,000 kilowatts. It will be noted in Exhibits "F" and "G" that the Meadow Valley homestead project is treated, which is near the main line. These exhibits were submitted by D. B. Gemmill showing the possibilities of developing land within the area and water which is fully set forth constituting sufficient water to cover eight thousand acres of land. This would be new development which would derive its benefit from the Lincoln county line. In Exhibit "F" which treats with the rehabilitation of the federal government, the electric energy that would be required in this district as set forth in Exhibit "F" could be taken off the main line into the Lincoln county

district.

IT IS ESTIMATED that \$3000 would take care of two and one-half acres of land which would promote over one thousand homesteads.

In Exhibits "J" and "K" is a report upon the location of a dam in the Narrows at Delmue ranch between Dry Lake and Round Valley on Spring Valley creek. It is estimated by this exhibit that by the construction of a dam at this point enough storage room can be had to hold water in the reservoir for part of the 50 second feet which could be used in the development of Dry and Round valleys in the Spring Valley district.

"The drainage area for the proposed dam is one thousand square miles, all of which runs into Spring Valley creek. By the conserving of the water in this area a great deal of damage to property could be avoided in the future so that it is to be readily seen that along the proposed power line from Boulder dam to Pioche is a large area of country which could be brought under cultivation and development in the future if this line was created so that it is not alone a proposition of supplying the Lincoln county district but making it possible for adjacent territory to be developed.

"In Exhibit "L" is a report of the Caliente power district in which a district could be formed and take off the main line from Boulder to the Lincoln county district. This line would pass about one and one-half miles west of the Town of Panaca, a farming community which could handle the service end of it so far as the Lincoln County line is concerned, to which a stub line could be built with equipment to serve the town at a cost of about \$3000. This line would pass through about ten thousand acres of tillable land. There is also within this area a district known as the Chief Mining district containing large bodies of ore deposits which could be developed with cheap power.

"IN EXHIBIT "M" filed by the people of Utah are the possibilities of the development of Iron county, Utah, that is based upon the proposition that the line is built into Pioche and the Lincoln County district.

Exhibits "N" and "O" are exhibits showing the Delamar district with an area of about one and a half miles in every direction from the postoffice at Delamar. Within this area is a highly mineralized district, most of which is in patented mines, the outstanding operator being the Caliente Cyaniding company engaged in the retreating of exceedingly large deposits of mill tailings left by early operators. It is estimated that the tailings can be operated over a period of fifteen years and should yield a gross production of two millions and over. With the introduction of cheap power over the proposed line from Boulder dam they would stand an increase of 100 per cent capacity and electric energy would double the present use.

"Consideration must be given to the entire area of the Lincoln county district and of the large and undeveloped property both patented and unpatented mines which are capable of developing to a great extent. The rehabilitation possibilities in the Panaca and Spring Valley district, coupled with the possibilities in Caliente and Pahrnagat valleys undeveloped at this time will be the means of increasing the population in the district for employes alone of over 2,000 men. Coupled with that is the service population which should be four times as great.

"The rehabilitation of Panaca valley for farming purposes, located about fifteen miles from the Pioche area, situated in the Lincoln County district, would make

possible all homesteads and give easy access to the mills and mining properties within the proposed district. With the development of good roads and easy access to means of transportation, this area we feel should support the Lincoln County district from an economical standpoint.

"CONSIDERATION should be given to the fact that although the present valuation within said district is small, the parties who testified at the hearing that they would erect within the state mills and plants that would increase the valuation to eight million dollars and possibly more is a matter to be considered.

"Then when thought is given to the large production that has taken place in the past under adverse conditions and allowance made for the present method of treatment of lowgrade ores and ore bodies covering over 250 square miles, this commission feels that based upon the above facts and the further fact that Nevada must find a market for her share of the power generated at Boulder dam before she can use any part of her 18 per cent and upon the further ground that the mills and concentrate plants will be built in Nevada, this commission feels justified in finding this district is an economically sound proposition for the future and that a necessity in the district does exist.

"On the other hand let it be understood that in finding the necessity for the district the order is based entirely upon the ground that the parties in said district will use Nevada power; that they will construct within the state those plants that they have so testified as to appears more fully in the transcript herein referred to.

"Therefore, it is the opinion of this commission, based upon the above facts, that there is merit to the application. It will be noted that the main trunk line passes over territory which is virgin in nature, except the towns of Caliente and Panaca, offering possibilities of future development in the way of agricultural and water development, rehabilitation of undeveloped land which could be tied in with the rural rehabilitation plan and be a means of increasing the population along the line of the proposed electric line as well as the Pioche and Lincoln County area.

"When one considers the possibility of development and taking care of that which is already developed along the line in Lincoln county outside of the proposed district they can readily see the possibilities and future of said district. The increased population and valuations alone should be an inducement, and the using of Nevada power for encouraging the development of this district. Then on the other hand from a careful survey of the district by parties interested and this commission we find that several thousand tons of ore could be developed outside the Pioche area.

"In the Pioche area alone the values of the ores are approximately seven ounces in silver and lead and 15 per cent in zinc. The ore bodies in the Prince Mines assay approximately 3 per cent lead, 3 per cent zinc and 10 per cent manganese, with 25 per cent iron. While the Comet ore bodies are equally as large as are the Prince. Drill holes have been placed at points over nine thousand acres of land so as to uncover and prove ore bodies within that district.

"CERTAIN INDIVIDUALS, such as the Pioche Mines, have expressed themselves favorable to the proposed power district. The Amalgamated Mining company and other large producing producers within the district also expressed themselves favorable to

district as well as a great number of smaller properties not controlled by the larger companies. They testified at the Pioche hearing that if cheap electric energy was available they could increase operations and operate on a substantial profit basis.

"In mentioning the Caliente district which could be brought in under this proposed application we might state it is situated on the main line of the Union Pacific Railroad company, commonly known as the old Salt Lake railroad, a unit of the aforesaid road. This road traverses the state of Nevada for a distance of over two hundred miles and could very nicely

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ly utilize a great deal of power from Boulder dam for the purpose of electrifying its railroad. It is the largest taxpayer along the line of the proposed district and if it saw fit to electrify its lines would be a large consumer of electric energy in that district as the trunk line would pass directly over its main line of road.

“A great deal of testimony was offered in support of the future developments that could take place along the line of this main line so

at it could easily develop five times the present population in the district which could be created. It is true that the primary industry within the Lincoln County district is mining but out of that would grow a large service population along the main line in the district which the application covers. It is true the valuation is small, about \$350,000. On the other hand it is estimated that the construction of this line to the Lincoln county district would be the means of establishing along the line new enterprises approximating eight millions of dollars. It is estimated that a mill at Pioche would be installed at a value of \$2,500,000; while at or near Boulder dam in Clark county concentrate plants would be erected at a value of \$5,000,000.

TAKING INTO consideration the foregoing facts the commission is of the opinion that so long as Nevada must find a market for her power, that the proposed district will be the means of using Nevada power. If the parties interested will construct plants within the state of Nevada which will be the means of increasing the valuation therein the commission is of the opinion, after considering all the facts set forth, that the Lincoln County Power District No. 1 is a necessity and that from the standpoint of new development, the use of Nevada power, that the district is economically sound and that a municipal power district should be set up within the said proposed district providing that Nevada power is utilized and the parties interested erect their mills and plants in Nevada. The commission is of the further opinion that said directors in said district should cooperate with the Colorado River Commission of Nevada, for in creating the said district the paramount interest is the state of

Nevada and her future development. And that the directors' bonds be set at \$1000 each until such time as they shall have on hand \$1000 or more, in which event they shall give an additional bond in an amount to be determined by this commission.

If the reduction works, plants and refineries are not built and operated within the state of Nevada and Nevada power used, then we do not feel that a necessity or an economic condition of soundness exists for the creation of said district.

We are of the further opinion that the character of the utility which is to be created should be a municipal corporation, organized for the purpose of conducting and operating a plant to distribute the electric energy allocated or allowed to the state of Nevada by the act of congress creating the Boulder dam power project. The character of the utility must also be such as to require the directors of the utility to cooperate with and coordinate with the Colorado River Commission of Nevada in carrying out the objects of that commission, with authority to develop and promote the welfare of the people of the state of Nevada.