

# "GO SLOW, DON'T STIFLE INFANT INDUSTRY," SOLON URGES THE STATE

Says Coming Session Of Congress Most Important For Nevada

RENO, Sept. 30. (U.P.)—Taxing agencies in Nevada were called upon today by Senator P. A. McCarran to "go slow and be patient" in imposing any taxation on the Boulder dam-Pioche power line and power companies until they are "on their feet."

In an interview today 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."

**THE SENATOR** then declared that from a Nevada standpoint, the session of congress convening in January will be one of the most vital in the state's history, and urged citizens of the state to join him in a fight against harmful legislation.

McCarran warned that strong attempts will be made to:

1. Seize the state's control over its natural waters on public lands and turn it over to the department of interior.

2. Amend the income tax laws to prevent husband and wife from filing separate returns under the state community property law.

"**IF NEVADA** loses control of its public waters," he declared, "it will have lost its greatest asset of sovereignty to the federal government. We must stand together with other western states to fight this attempt of the interior department to take over control of our waters and dole them out in any manner it might see fit."

All semi-arid states of the west, Nevada's junior senator explained, have insisted that they owned their natural waters—those from springs, streams and lakes. Despite the fact that the federal government owns three quarters of the land within the state, Nevada has contended that the state owns the waters on these lands, McCarran pointed out, and has enacted laws regulating the control and use of waters under the state's police powers.

"Now the interior department takes issue with us and claims the federal government owns the water on public lands," McCarran said. "The people of our state must be aroused to fight with other western states in a suit that may be started by Arizona shortly to determine this question."

**THE OTHER MOVEMENT** in congress that McCarran asked for Nevadans to aid him in combatting is that seeking to amend the income tax laws to prevent married couples in Nevada and other western states having community property laws from filing separate returns.

Formed by statute and judicial interpretation, including a decision of the U. S. supreme court, the community property law states that the wife is invested with half of all community earnings during the period of married life. She takes it as a vested right at the time of marriage.

Under this law, McCarran said, married couples in Nevada have filed separate income tax returns. If the husband earns an income of \$10,000 a year, the community property law allows the husband and wife to file separate returns of \$5000 each and thus evade payment of income taxes levied in the higher brackets.

**"CRITICS SAY** that we are attempting to dodge payment of taxes in the upper brackets," McCarran said, "but this is not true. This law has been written into state constitutions and statutes of the west long before income taxes were first levied. It was a part of the law of the territory as handed down from the laws of old Spain and Mexico."

Eastern states have the common law principle that the husband is sole owner of all community property and thus files the income tax return. McCarran reported that a simple federal statute could alter the community property setup in Nevada but urged that this state join with Texas and other states in fight-

ing any amendments to income tax laws affecting the western states.

**McCARRAN, LOOKING** vigorous and healthy despite his stay in the naval hospital in Washington after a tiring congressional session, said he planned to tour the state to learn its problems anew and to help straighten them out.

Legislation favorable to Nevada that will be considered in the next session of congress is likely to pass, McCarran predicted.

"A large percentage of the workers in Nevada are interested in my bill to limit the length of freight trains in interstate commerce to 70 cars," he remarked. "This measure passed the senate and now is pending in the house interstate commerce committee. I look forward to its passage at the next session."

**SENATOR McCARRAN** likewise forecast early passage of the measure authorizing purchase of more than 100,000 acres of land at Lake Tahoe for a "forest park." The bill has passed the senate and is now before the house public lands committee.

"I have no doubt about its passage," the solon added. "It was amended in the senate to authorize purchase of similar land in the Smokey mountains of Tennessee. This will be our last chance to acquire a playground and recreational area at the lake at any such low price."

McCarran's bill to end the dispute of white settlers in the Pyramid Lake Indian reservation also has passed the upper house and is expected to be reported favorably by the house Indian affairs committee.

"**THIS BILL** has all the fairness and equity for both sides that could be asked," he said. "It guarantees that the Indians shall receive a fair and equitable price for the ranch lands that they never occupied—lands that were reclaimed by the white settlers 75 years ago, long before the reservation was created. At the same time it requires the whites to pay a fair price as specified under the law of 1924 and allows them to continue living on the lands that they and their fathers have occupied."

The silver-haired legislator said he was sorry to learn President Roosevelt had announced termination of public works administration activities.

"**THE PWA HAS** done more to resuscitate industry in this country by encouraging private industry to go ahead than any other governmental agency," he said. "For every man employed on a PWA project, from five to 50 others have been employed indirectly through the stimulation of industry."

McCarran said he believed the \$350,000,000 allocated under the PWA extension act of 1937 had not all been allocated, and remarked that there were several worthy projects in Nevada that were entitled to federal assistance.