

# California Asks Lower Power Rates To Lure Big Industries

YELLOWSTONE PARK, Aug. (UP)—The frank admission that Los Angeles is seeking a lower Boulder dam power rate as an inducement to operators of large smelters and refineries to locate in southern California, was the dose handed to Nevada and Arizona representatives at the power conference here late yesterday afternoon by E. F. Scattergood, chief electrical engineer and general manager of the bureau of power and light in the southern metropolis.

Scattergood's statement came during an address to the assembled delegates of the seven Colorado river basin states in which he pictured a far-flung southwestern empire in the river basin where mines, stockmen and truck farmers would share the benefits to the industry he visualized as centering in southern California as a result of the lower power rates.

"We in Los Angeles have received assurance," said Scattergood, "that cheaper power from Boulder dam would mean an influx of industry into southern California, particularly refiners for concentrates that could be shipped to Los Angeles from

other basin states.

"An increase in the demand for concentrates which now must be shipped elsewhere for refinement would mean an increase in mining activity thruout the southwest. That inevitably would attract other industry to Los Angeles and would increase the home demand for agricultural products—beef, mutton, vegetable products.

"Hence, mutual benefits would extend thruout the Colorado river basin from activities of basic refineries and smelters in southern California, and the factories that would be sure to follow if cheaper power were made available."

The requested rate reduction would trim the cost of Boulder dam power from 1.63 mills to approximately one mill per kilowatt hour for firm power.

The lower Colorado river basin states of California, Arizona and Nevada proposed the rate reduction. Whether it might prove acceptable to the upper basin states—Colorado, Utah, Wyoming and New Mexico, appeared to depend largely on what agreement could be reached concerning revenues claimed by those states for reclamation purposes.