

Mashburn Backs

Clark County's

Dam Fund Claims

Courts Would Give County More If Test Made

*Las Vegas
Journal*

CARSON CITY, Jan. 30 (UP) The assembly committee on natural resources today studied testimony by former Attorney General Gray Musthburn that "Nevada has a definite and well-established moral obligation to pay Clark county 20 per cent of the in lieu taxes revenue from Boulder dam."

The former attorney general appeared at a hearing called by the committee to consider the measure passed by the state senate eliminating all reference to Clark county from the bill which provides distribution of Boulder dam revenue.

Moral Obligation

Mashburn declared if the Boulder dam matter were decided on the basis of a legal instead of a moral obligation, Clark county's share would be far greater than the 20 per cent it now receives.

"The money received by Nevada and Clark county is not in any sense given or donated," Mashburn told committeemen.

"It is for taxes lost, according to the late U. S. Senator Key Pittman who successfully fought for seven years to obtain these funds for Nevada and Clark county," he asserted.

Mashburn contended any money paid Nevada by the federal government in lieu of taxes which would have been paid had the dam been a private enterprise, must be shared with Clark county.

Lost Taxes

He said the payments represent compensation for actual taxes lost when the town of St. Thomas was abandoned, when ranches were buried under the waters of Lake Mead, and for potential taxes lost because the government, instead of private enterprise, developed the giant power project.

"No other county lost one cent in taxes," Mashburn said.

"Three private companies, at least, were conducting surveys looking toward construction of a dam and power plant in the Colorado river gorge at the time the federal government began its project," he told the committee.

Mashburn said the loss to the state, through the \$60,000 annual payment to Clark county, meant only 85 cents a year to the average taxpayer—"just about enough to buy one good cigar at each quarterly taxpaying time."

Not From U. S.

He pointed out the money paid Nevada does not come from the government but merely via the government from purchases of

power generated at Boulder dam.

Nevada users of Boulder dam power contributed \$100,000 of the \$300,000 paid Nevada this year, Mashburn said.

"Next year," he forecast, "Nevada users will pay \$114,000 of the \$300,000 the state will get."

Asked by Assemblyman Don Crawford, democrat of Washoe, if he was being retained by Clark county to present his argument, Mashburn snapped:

"The insinuation that I am being paid a retainer fee by Clark county in this case is false as hell."

Mrs. Mary Sharp, democrat of Nye, called Mashburn's attention to the fact that the federal government had taken over "the best ranches in Nye county and given them to the Indians."

"We get no in lieu of tax revenue from these lands," she said.

"Clark county did not lose the

dam for taxation purposes—the dam was not there,” Mrs. Sharp asserted.

“Clark county lost only the land at the bottom of Lake Mead and the town of St. Thomas, as well as the canyon walls.”

“Clark county is not entitled to any portion of the \$300,000. Let the \$300,000 be put in the state treasury so all the counties can share,” she said.

Larger Split

Asked by Assemblyman Duane Mack, republican of Douglas, if Mashburn thought the matter could ever be settled without a court test, the former attorney general replied Clark county

would receive four times what it does now if a legal test were placed before the courts.

Ambrose G. Murphy, democratic assemblyman from Clark county, declared the people of his county feel they are bound by the legislative act as it now stands as a compact entered into by the state.

Murphy intimated if the present law is repealed, Clark county will carry the case to the highest legal tribunal in the nation.

"Clark county has all the headaches resulting from the influx of industry and workers," Murphy declared.

“It has all the worry and costs of added police and fire protection and added costs of education. None of the other counties share these costs or headaches with Clark county.”

✦ The committee will resume its hearings on the Boulder issue Monday.