

The Main Objective

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It may be that Las Vegas is needlessly alarmed over the possibility of the interior department's attempting to continue its reservation (if any in truth has been legally established) beyond the construction period of the Boulder Canyon project. It may be that the present administration has no intention of following any such program. But the possibility is there, and the fact that Las Vegas has complacently placed its trust in high public officials before and gotten gold-bricked for its childlike confidence that no one would be so unfair, should provide sufficient warning that it's far better to be absolutely certain of our ground than to take anything for granted.

A tax-free reservation, used by the federal government as a lure to industries interested in using Boulder dam power, would be a death-blow to Las Vegas. Nothing this community could offer would balance the tax-free provision prevailing on the reservation. During the construction period, Clark county and Nevada bid fair to be "slickered" out of several hundred thousands of dollars in tax money thru the government's action in establishing the reservation. For it is possible to keep the pending suit before the courts until the project is completed, and after it is finished, just how can the state of Nevada collect the money due her. The machinery and equipment will have been moved out of the state, and the construction company formed for the purpose of this project alone, will have been disbanded.

Further than that—if a cement plant is erected within the reservation, to manufacture the cement for the dam structure itself, it also will be free of taxation. If a steel plant is built to roll and anneal the steel pipe to be used in the penstock tunnels, it may not be taxed. Both plants constitute major industrial developments, and either if located anywhere else in the United States would have to contribute its share toward the government expenses of whatever community happened to be its site. Taxes on these two potential developments alone would be in the neighborhood of \$60,000 per year, figured on a fifty per cent valuation basis, and if these plants are erected, and Secretary Wilbur's theory prevails, they will not pay one cent to any governmental unit.

What difference it makes to the interior department whether taxes are paid on personal property within the reservation, is hard to imagine, and yet we have the spectacle of the head of that department refusing to sanction the passage of a bill by congress which would insure the state of Nevada the right to tax regardless of what the courts decide some years hence in the suit now pending. In the absence of any statement to the contrary, this attitude can have only one interpretation, which is that the secretary is determined to maintain a tax-free reservation in connection with the Boulder Canyon project.

No one, not even the secretary himself, would attempt to justify such a course, for it is absolutely opposite to the theory of democratic government. Taxes are supposed to fall on all property owners, whether large or small, with equality. Because a contractor is working for the government, is no reason why he should be favored by being exempted from the payment of taxes. Because a cement manufacturer is producing cement for a government project is no reason why he should be relieved of a \$35,000 annual tax burden which his competitor in other markets has to pay. And because an industrial concern is drawing power from a government owned power plant, is no reason why the taxes paid by similar and competing industries thruout the nation should be waived.

Every contractor bidding on the Boulder Canyon project figured taxes at prevailing Nevada rates, as one of the items in their bid. They had no idea of escaping or avoiding this expense. But with a kindly government offering to hand the successful bidder some fifty or sixty thousand a year on a silver platter, it is hardly to be expected that they would refuse the offer and magnanimously insist on their rights to pay taxes, especially when the sum total of payments might reach well toward a half million dollars before the end of the job.

The hope of tax collections during the construction period, probably depends largely upon a change of national administration, for Secretary Wilbur has apparently taken a definite stand on the matter, and so long as he continues in office will wield sufficient power to prevent the enactment of any legislation defi-

ninitely establishing the right of this state to levy taxes.

So far as Clark county is concerned it is probably too late for anything that can be done here to have any material effect on the situation existing during the construction period. It therefore behooves us to concentrate on securing legislation which will insure automatic termination of the so-called reservation at the end of the construction period. The full weight, not only of Clark county but the entire state should be put behind this move, which should gain plenty of support if properly presented.

So far as legislation pending before the present session of congress is concerned, its slender chance of success depends entirely on eliminating all possible controversial points between the state's theory and that of the incumbent secretary of interior. There is no sense, for instance, in insisting on applying Nevada's mining laws, when by the time the bill is enacted into law, the only work upon which these statutes might apply, will have been completed.

The right of residents of the reservation to vote is conceded by the secretary. The only other major point in which this state is interested, is its right to tax personal property within the reservation. So far as pending legislation is concerned, this should be the main objective, regardless of all else.