

BULLION TAX COLLECTION

(Continued from page one)

The opinion of Mr. Augustus Tilden, special counsel, follows in full: Honorable Board of County Commissioners, Nye County, Nevada.

Pursuant to the line of procedure suggested at my recent conference with your honorable board, I have to report as follows:

The charges of the grand jury in Nye county, filed January 29, 1917, in relation to evasions of bullion taxes by certain named companies, were submitted to me by Mr. J. Grant Crumley, with the request that I advise you:

First: Whether or not the facts set forth in said report warrant the conclusion that products of the Tonopah Belmont Development Company and the Tonopah Belmont Development Company have escaped taxation.

Second: If such products have escaped taxation, whether or not the evaded taxes can be recovered from the delinquent companies.

The charges of the grand jury, which are in the form of a so-called "Special Report on the Bullion Tax Situation," prepared by Messrs. Oyster & Old, public accountants, are both general and specific. The general charges are as follows:

"We further certify that in our opinion the Tonopah Mining Company of Nevada and the Tonopah Belmont Development Company are indebted to Nye county for large sums of money as balances on bullion tax for the years 1909 to 1915 inclusive, and for the qualifications as shown in the various exhibits and statements."

"The millions of dollars of dividends received by the above companies from their subsidiary milling companies is ample proof of diversion of profits for the sole purpose of evading the bullion tax, and it is apparent that the 'actual cost' to the mill would be the amount the milling company has charged for milling the ore less the operating profits. In other words, the milling company should null and treat the ore without making any profit."

"As our investigation proceeded, we discovered what we considered an attempt on the part of certain mining companies operating in the county to evade bullion taxes on a gigantic scale, and thus defraud the county out of large sums of money. By thus evading their just and proper bullion taxes, and contributing their just and legal proportion toward the maintenance of the county government and its public school and other institutions, as provided by law, they have forced a much higher rate of taxation on the other taxpayers of the county than would otherwise have been necessary."

"The specific charges are, in substance, that devices are resorted to by the companies, such as interlocking ownership and control of mines and mills, with consequent inflated mill charges; the setting off against gross yield of expenses of maintenance of outside offices; the computing of net yield at from 20 to 40 per cent less than its actual cash value; undue deductions for depreciation, etc., etc., the effect of all of which is to divert from the channels of taxation much of the product which should bear a tax to the state.

"With respect to the charges, both general and specific, I have to advise that they appear to be substantiated to this extent, that special reference is made in the report to quarterly bullion tax statements, and to annual reports to stockholders, rendered by the companies in question, the statements in which so conflict as fairly to call for explanation.

"With a view to reconciling these conflicting exhibits, I had the assessor, with Messrs. Oyster & Old, who had first been qualified as deputy sheriffs, call upon the officials of the Tonopah Mining company of Nevada and demand an inspection of its books. This demand was refused for reasons which I regard as inadequate in law, but whether the reasons be adequate or inadequate, there is only one conclusion to be drawn from the refusal of the company to exhibit its books.

"You are therefore advised that you have reasonable ground to believe and find the charges set forth in report of the grand jury to be well founded in fact.

"This brings me to the solution of the two questions propounded by Mr. Crumley, viz:

"First: Whether or not said facts warrant the conclusion that products of the two companies in question have escaped taxation? This question I answer in the affirmative.

"Second: If such products have escaped taxation, whether or not the evaded taxes can be recovered from the delinquent companies? This question, also, I answer in the affirmative, with the following explanation:

"Our statutory law is defective in not setting forth a closer line of procedure for the assessment of property which has escaped taxation. In the absence of such procedure, your remedy is an action at law or in equity, or an action partaking of both common law and equitable features, for the recovery of the amount due as a statutory liability of the taxpayer to the state.

"The question also arises, how far back the state can go for the recovery of evaded taxes. Ordinarily the answer would be three years. In the case of the two companies in question it is my opinion that prompt action at this time will enable the state to go back as many years as the evasions have been in progress. In other words, as far back as 1908. This is because of circumstances peculiar to these cases, which take them out of the operation of the statute of limitations.

"As to the chances of recovery, I will say that the kind of action necessary in the premises has never been brought in this state. It remains to learn the construction our courts will give our statutory law as affecting evaded taxes, and how far they will permit common law remedies, well known in other states, to prevail in this. I confidently believe that very substantial recoveries can be had against both companies.

"With respect to the expense involved, I beg to advise that very little, if any, expense should be incurred until such time as the litigation shall have been brought to a stage where success seems certain. In any case the only substantial expense will be that involved in the expert examination of the defendant's books. This expense need not and should not be incurred until the doubtful questions involved in the cases have been solved by the court. The papers can be so framed—indeed, in the preliminary and experimental drafts I have made they have been so framed—that these questions can be forced to a solution before any expense except filing fees and the fees of the official reporter, if any, are incurred.

"In conclusion, I beg to suggest that, if you conclude to test the rights of the state to the disputed taxes, you do not complicate the civil proceedings with criminal prosecutions or investigations. I have had a very clear statement from Mr. H. H. Brown, counsel for the Tonopah Mining company of Nevada, that the company is not seeking to evade its just dues, from which I take it that your efforts towards the establishment in a court of justice of the legal principles involved will be regarded as a reasonable resort to a proper forum for the solution of a question that has long vexed both taxpayer and state. I have reason to know that Mr. Crumley is in entire sympathy with this sentiment, and that a similar feeling will be found on the part of the Tonopah Belmont Development company and any other company which may become involved.

"In other words, the questions are sufficient large, the ground sufficiently debatable and the solution sufficiently important to justify the extension of all issues apart from the civil ones—at least until the latter are settled.

"Moved by this feeling, and fully realizing that in your capacities as commissioners you will feel it your duty to incur no greater expense than the nominal costs of court, until your efforts result in substantial benefit to the county and state, I will be pleased to serve you further. Very respectfully,

"AUGUSTUS TILDEN,
Goldfield, Nevada, April 13, 1917."

W. T. DALTON DIES AT HIS HOME IN SPARKS

William T. Dalton, a resident of Nevada for the past 50 years, died at his home in Sparks Monday afternoon after an illness of several weeks.

Dalton was born in England in 1839 and was married in London in 1860, coming to this country shortly afterward. He took up his residence in New York state for several years coming to Nevada in the sixties and making his home in what is now Churchill county. He has been a resident of Sparks for about 12 years and is survived by a daughter, Mrs. Luella Butler, of Sparks, and three sons, T. H. Dalton, of Austin; F. A. Dalton, of Stillwater, and W. E. Dalton, of Gerlach. The latter was the first mayor of Sparks. The deceased was 78 years of age.

Many old Austinites who reside in Nye county will be pained to learn of the death of Mr. Dalton, who was recognized as a most estimable citizen and father of Thomas Dalton, the well-known merchant of Austin, who has the sincere sympathy of all friends.

FOR TONOPAH PEOPLE

Simple buckthorn bark, glycerine, etc., as mixed in Adler-ika, the appendicitis preventative, drains so much foul matter from the body that ONE SPOONFUL relieves sour stomach, gas and constipation AT ONCE. THE QUICK action is astonishing. Jos. Pierce, Druggist.

Speaking of ups and downs, nobody has them like the youth who is trying to decide whether to sing tenor or bass.—Dallas News.

WIPPONS STRIVE FOR FRIENDSHIP

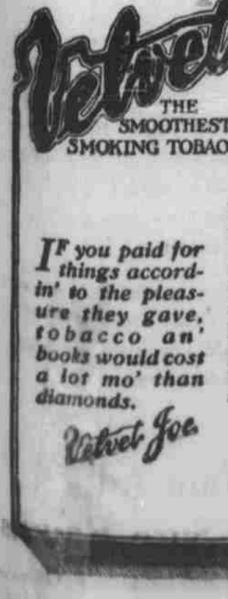
JAPANESE STATEMEN TRY TO CULTIVATE CORDIAL RELATIONS WITH U. S.

(By Associated Press.) TOKIO, April 19.—Speeches by unknown men urging the tightening of the bonds of friendship between Japan and the United States were made at a luncheon given in honor of Dr. Jokichi Takamine, of New York, by the new American Society of Tokio. Dr. Takamine is returning to New York and he has been elected as honorary president of the new Tokio organization which is similar to the Japan society of New York.

All the speakers, including Viscount Kaneko, Dr. Juichi Soyeda, and Eki Kioki, formerly minister to China, dwelt upon the desirability of finding solutions to the so-called "Oriental problem." Mr. Kioki in particular, said that the recent Idaho case was a warning that the questions were not yet settled and declared that the two governments should take up the matter and strive for a solution.

Dr. Soyeda prophesied that Japan and the United States would be more firmly united than ever before and he expressed the hope that President Wilson would send Japan an ambassador a man who would complete the good work begun by the late Ambassador Guthrie.

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ENGLISH WOMAN LENDS FORTUNE

ADVANCES \$20,000,000 TO BRITISH GOVERNMENT AS PART OF WAR LOAN

(By Associated Press.) LONDON, April 19.—The largest woman subscriber to the war loan in England is Miss Emily Talbot, of Glamorgan. Miss Talbot, who is 77 years old, is the daughter of C. R. M. Talbot, who sat in the house of commons for 60 years and died in 1890, leaving a fortune estimated at £8,000,000 to his daughter. Her land holdings of over 40,000 acres include several thousand acres of valuable coal deposits, and nearly the whole of Port Talbot and the Port Talbot railway and docks.

Miss Talbot's contribution to the war loan is estimated at £4,000,000 pounds. This is quite characteristic of the woman, who has been known to go to great lengths to avoid publicity in connection with her philanthropies. Her favorite device to avoid publicity is to contribute a comparatively small sum to charity in her own name and then add two or three much larger donations anonymously. Thus, her open subscription to the war loan was for £80,000, although in roundabout ways it has become known that she is the holder of about fifty times that amount.

Miss Talbot, despite her age, keeps her hand on her own business affairs, and her property has greatly increased in value during her 27 years' stewardship. She has a London house on Cavendish Square, and spends a considerable part of her times in Wales.

NOTICE OF SALE OF COUNTY PROPERTY

Take notice that in pursuance of an order of the board of County Commissioners of the County of Nye, State of Nevada, made and entered on the 21st day of March, 1917, authorizing and directing the County Treasurer of Nye County, to sell at public auction, for cash, to the highest bidder, who must bid sufficient sum to pay the amount of delinquent tax on the property therein mentioned for the year 1917 for which the County of Nye purchased the same, besides all costs and interest thereon to date, all the right, title and interest of the County of Nye, State of Nevada, of, in and to all the certain described property, formerly assessed to Greater Nevada Mining Company, situated in the Lee Mining District, County of Nye, State of Nevada, to-wit: Survey No. 229, Swan Hilda No. 1, Swan Hilda No. 2, Swan Hilda No. 3, Swan Hilda No. 4, including engine, gallows frame and mining equipment.

Now, in pursuance of the foregoing order, I, John Barrier, County Treasurer of the County of Nye, State of Nevada, will on the first day of May, 1917, at the hour of 10 o'clock a. m., at the court house door in the town of Tonopah, sell as above specified, all the right, title and interest of the County of Nye, State of Nevada, of, in and to all the foregoing mentioned property and the whole thereof upon the terms and conditions mentioned, and according with the statutes of the State of Nevada, and in such cases made and provided.

Dated, Tonopah, Nevada, this 21st day of March, 1917.

JOHN BARRIER, County Treasurer.
First publication March 24, 1917; last publication April 19, 1917.

MINE WORKERS TAKE CARE OF ORPHANS IN FRANCE

(By Associated Press.) FIRMINY, France, April 19.—The miners and steel workers of this busy coal and iron town have decided to take care of the war orphans of the canton themselves. The municipal council of Firminy has officially approved the idea and appropriated the funds for the first requirements of about 60 orphans that are already being called the "official wards of the town."

IMPORTANT NOTICE TO SECRETARIES

Your attention is called to the following extract from the Nevada Statutes: Chapter CVIII, Nevada Statutes, 1901: Amended Statute, 1913, Chapter 194:

Section 1. All foreign corporations doing business in the State of Nevada shall, not later than the month of March in each year, beginning in the year 1914, publish a statement of their last year's business in some newspaper published in the State of Nevada. If published in a daily newspaper, such statement shall be published for a period of one week, or if published in a semi-weekly or tri-weekly newspaper, for a period of two weeks; or if published in a weekly newspaper for a period of four weeks.

The penalty for not complying with the above law is a fine of \$100 for each month that the published statement remains unfiled with the several assessors of the state.

Kindly fill out the attached blank and mail to the "TONOPAH BONANZA PRINTING COMPANY, Tonopah, Nevada." We make a nominal charge of \$10.00 for publication, which includes the filing of a sworn affidavit of publication with each of the assessors of the sixteen counties of the state.

TONOPAH BONANZA PRINTING COMPANY, Tonopah, Nevada.

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ANNUAL STATEMENT OF THE

Company _____

for the year ending December 31, 1916.

Location of mine _____ Mining District _____

County of _____ State of Nevada _____

DEBIT	
December 31, 1915, to cash on hand	\$ _____
To assessments collected during 1916	\$ _____
To amount received from other sources	\$ _____
CREDIT	
Mine expense in year 1916	\$ _____
General expense in year 1916	\$ _____
Paid dividends in year 1916	\$ _____
Balance on hand December 31, 1916	\$ _____

Secretary, _____

(Sign name very plainly)

Address _____

Fill out and return this form with a remittance of \$5.00 and all details as required by law will be attended to.

Tonopah Daily Bonanza

THE LAST WEAPON

The John C. Winston company, publishers of Philadelphia, has issued an interesting volume in paper covers dealing with settlement of war questions and the promotion of Christianity through the divine message of love, under the title of "The Last Weapon."

An adlet in the Bonanza is the best investment.

ASSESSMENT NOTICE

TONOPAH GIPSY QUEEN MINING COMPANY

Location of principal place of business and location of works, Tonopah, Nye County, Nevada.

Notice is hereby given that at a meeting of the board of Directors, held on the ninth day of April, 1917, an assessment (No. 11) of One (1) Cent per share was levied upon the capital stock of the corporation, payable immediately in United States Gold Coin, to the Secretary, at the office of the company, Room 265, Russ Building, San Francisco, California.

Any stock upon which this assessment shall remain unpaid on the 15th day of May, 1917, will be delinquent and advertised for sale at public auction, and unless payment is made before, will be sold on Tuesday, the 15th day of June, 1917, to pay the delinquent assessment, together with the costs of advertising and expenses of sale.

By order of the Board of Directors,
CHARLES D. OLNEY,
Secretary.
Office: Room 265 Russ Building, San Francisco, California. April 13, 1917.



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Effective Sunday, Feb. 4th, 1917

No. 23 arrive Tonopah 8:50 a. m.
No. 23 leave Tonopah 9:05 a. m.
No. 24 arrive Tonopah 9:05 a. m.
No. 24 leave Tonopah 9:25 a. m.



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