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State of Washington

A PAMPHLET

Containing

Constitutional Amendments
Initiative Measure No. 139
Initiative Measure No. 141
Referendum Bill No. 5

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To Be Submitted to the Legal Voters
of the State of Washington for Their
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Tuesday, November 5, 1940



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THE SECRETARY OF STATE
BELLE REEVES

Ballot Titles Prepared by the Attorney General

SMITH TROY
Attorney General

[Chapter 30, Laws 1917]

✓ Passed

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Initiative Measure No. 139

BALLOT TITLE

AN ACT requiring voters' approval of bonds, securities, or other financial obligations to be issued, assumed, or incurred by any public utility district for the purpose of financing the acquisition of property for use in supplying public utility service, and of the proposed plan or system pursuant to which such property is to be acquired and used; providing for the manner of submitting such propositions to the voters at elections; specifying the minimum vote required on such propositions; and making similar provision for pending condemnation actions or proceedings to acquire such property before incurring indebtedness.

AN ACT requiring voters' approval of bonds, securities, or other financial obligations to be issued, assumed, or incurred by any public utility district for the purpose of financing the acquisition of property for use in supplying public utility service, with certain exceptions, and of the proposed plan or system pursuant to which such property is to be acquired and used; providing for the manner of submitting such propositions to the voters at elections; specifying the minimum vote required on such propositions; and making provision for pending condemnation actions or proceedings to acquire such property.

Be it enacted by the People of the State of Washington:

SECTION 1. The approval of the voters of any public utility district organized under the laws of this state shall be required, as hereinafter provided, in addition to the requirements of any other act or law, for the authorization of any bonds, securities, or other financial obligations to be issued, assumed, or incurred by such district for the purpose of financing the acquisition of property for use in supplying public utility service, and for the authorization of the proposed plan or system pursuant to which such property is to be acquired and used; *Provided, however,* That such approval shall not be required for the authorization of any obligations to be incurred for repairs or replacements of utility property owned by the district or of any plan therefor, or for the issuance of any

warrants or orders for the payment of money for any lawful purpose drawn either upon any funds accumulated from the district's operations, or upon any fund or funds created by the district pursuant to the issuance, assumption, or incurring of financial obligations theretofore approved by the voters as in this act provided.

SEC. 2. Whenever the commission of any public utility district shall deem it advisable for the district to acquire any property for use in supplying public utility service, and to issue or assume any bonds or securities or to incur any other financial obligations to finance the acquisition of such property, the commission shall submit to the qualified voters of the district, for their approval or rejection at a general or special election, a resolution specifying the property to be acquired, the proposed plan or system pursuant to which such property is to be acquired and used, the proposed method of acquisition, whether by purchase, condemnation and purchase, new construction, or otherwise, the total estimated cost of the property to be acquired, including expenses of acquisition, and the nature, principal amount, and maximum rate of interest of each class of bonds, securities or other financial obligations proposed to be issued, assumed, or incurred in connection therewith. Such resolution may also include provision by general description for anticipated future additions or extensions to or betterments of the utility property embraced in the proposed plan or system, and for the obligations to be incurred on account of such additions,

Initiative Measure No. 139

extensions or betterments. The identifying number and the substance of such resolution shall be clearly stated in the notice of election. The ballot shall provide for expressing the voters' approval or rejection of such resolution substantially as follows:

Shall Resolution No. of
Public Utility District No.
of County be ap-
proved, and said district be author-
ized to issue, assume or incur the
bonds, securities or other financial
obligations proposed in said resolution
in the maximum principal amount of
\$.....?

YES
NO

Such elections shall be called and conducted in all other respects in the manner provided by law for the holding of general or special elections, as the case may be, in public utility districts.

SEC. 3. Such resolution shall be effective only after it shall have been approved by the qualified voters of the district by a majority vote of those voting on the proposition, or by such greater percentage vote as may be required by the constitution, at an election at which the total vote cast on such proposition shall exceed fifty per cent of the total number of votes

cast within such district at the last preceding biennial general election at which state and county officers were elected; and upon such approval of such resolution, but not otherwise, the commission may proceed to acquire such property and to issue, assume or incur the bonds, securities or other financial obligations specified in such resolution.

SEC. 4. Nothing in this act contained shall interfere with the prosecution of any condemnation action or proceeding for the acquisition of any property by a public utility district, which may be pending at the time this act becomes effective; but no property shall be acquired pursuant to any such condemnation action or proceeding, nor shall any bonds, securities, or other financial obligations be issued, assumed or incurred by any district for the purpose of financing the acquisition of any such property, unless and until the proposition for acquiring such property and authorizing such bonds, securities, or other financial obligations shall have been approved by the voters of the district, as in this act provided, at the next general election held within the district after this act shall become effective, or at a special election called and held for that purpose within one year after such effective date.

ARGUMENT FOR INITIATIVE MEASURE NO. 139

TO THE VOTERS OF THE STATE WASHINGTON:

Initiative 139 is a non-partisan measure sponsored by the undersigned and placed on the ballot by petition of 102,614 citizens of the State of Washington, for the purpose of strengthening the present Public Utility District Law.

Initiative 139 gives the people in Utility Districts the right to vote on plans for acquiring utility properties and issuing bonds in payment therefor.

Initiative 139 changes the present PUD law in this respect only. It does not limit any other power now granted to the PUD Commissioners. It has nothing whatever to do with the pros or cons of public ownership. It is strictly in accord with the American principle of majority rule. Whatever the majority of the public wants, they can get.

Voters who want something to say about how much public debt may be incurred by PUD officials and how the money is to be spent, will be for the measure unanimously. Voters who don't care, may not be interested. Those who want the power to spend public money without the people having anything to say about it, will be actively against it, and will try to make you believe that you should not have the right to vote on such matters. That's the issue of Initiative 139 in a nutshell. Read it carefully; see for yourself.

The most serious objection to the Utility District Law as it now stands is that the people do not have a right to say "Yes" or "No" to proposals to construct or acquire electric or water utilities, or the total amount of indebtedness that might be incurred for such purposes.

Initiative 139 closes the gap and corrects that fault. It guarantees to the people the right to be informed in advance of all plans for acquiring utility properties and the amount of debt to be incurred, and to have the further right to approve or disapprove the same. It prevents overzealous or inexperienced commissioners from rushing into unwise financial or construction programs or into ex-

travagant purchases of utility properties.

The right of the people to vote on all matters affecting them and their welfare is fundamentally democratic and an inherent privilege of American citizens.

No one who has faith in our American system of democracy can have any valid objection to giving the people who live in a utility district the right to vote on any proposed plan of the district to go into business or to incur a debt which must be paid by the people of the district either in taxes or in the rates charged them for utility service.

There is no reason why there should be any secrecy about the construction or acquisition of utilities by PUD's. The public is entitled to know what is going on and should have the right to have a direct voice in such matters.

The people of this state have always been ready and willing to establish public enterprises and to authorize public debt when it was necessary and beneficial to them. They will do so for the PUD's after Initiative 139 becomes a law. Experience has proved that the people will turn out to vote if their welfare is affected and there are benefits to be gained.

The sole purpose of Initiative 139 is to give back to the people their democratic right to vote.

PUD's are here to stay. Initiative 139 makes it possible for them to proceed on a safe and sane financial system. Read the Initiative; study it; see for yourself.

A democratic system for democracy.

VOTE "FOR" INITIATIVE 139.

WALTER F. FISHER,
G. H. WHITEMAN,
ED MORLEY,
Sponsors.

STATE OF WASHINGTON—*vs.*

Filed in the office of the Secretary of State, July 12, 1940, by Walter F. Fisher,
BELLE REEVES,
Secretary of State.

ARGUMENT AGAINST INITIATIVE MEASURE NO. 139

This initiative is being promoted by private power interests and their friends to destroy the public power program.

Under pretense of "letting the people vote" it would make it virtually impossible for the people to own their own electrical facilities.

It does this by providing that no bonds—not even revenue bonds which are payable only out of earnings—can be issued without an election and that the number of persons voting on the proposition must be more than 50% of the total number who voted within the district at the last biennial election at which state and county officers were elected.

That is the joker.

Since revenue bonds are not payable out of taxes and only the people living in the part of the district served by the electrical system being voted upon would be interested in the outcome of the election, it would be impossible to get out a 50% vote of the people of the whole district and the proposition would fail even though every person voting voted for it.

Thus the law would defeat the will of the people instead of enabling them to express their will as its sponsors claim.

The PUD law, which was passed by overwhelming vote of the people in 1930, gives every protection against excessive bond issues and taxation found in laws governing other municipalities and public districts. Initiative 139 does not impose any additional limitation upon the right of commissioners to levy taxes. It is aimed solely at revenue bonds which are not payable out of taxes.

Seattle and Tacoma have always had power to issue revenue bonds without an approving election. They have paid for millions of dollars worth of properties with such bonds while reducing electric rates, and all

without costing the people a single cent in taxes.

The Grays Harbor and Skamania County PUD's have recently acquired electrical systems and are now serving their people at rates ranging from 10 to 50 per cent less than they were paying the private companies. This has been done through revenue bonds which will be paid out of earnings without any tax levy. The savings are made by eliminating payments to high priced executives and eastern holding companies.

If 139 becomes law, public utility districts could not extend or improve existing lines, since issuance of bonds to build even a mile of line, affecting only the people served and imposing no taxes upon any one, would require the vote of at least 50% of the voters of an entire county.

This initiative would prevent any further rural electrification. The benefits of cheap Bonneville and Coulee power would go to private companies in profits instead of to the people.

Senator Homer T. Bone says:

"The private power crowd was very cunning in framing this Initiative to suggest that people are being deprived of the right to vote. This is a smart way of inducing citizens to fight the battles of the power companies for them, while the framers of Initiative 139 stand back of the scenes and enjoy the deception they are practicing."

The enemies of public power want you to vote for Initiative 139. The friends of public power ask you to vote against it.

THE WASHINGTON STATE GRANGE.

STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State, July 23, 1940, by Harry Check, Secretary, Washington State Grange.

BELLE REEVES,
Secretary of State.

Initiative Measure No. 141

BALLOT TITLE

AN ACT providing a minimum of \$40 monthly to senior citizens over the age of 65 years; defining incomes; naming eligibility; conforming state and federal matching funds and age limit; providing for age and length of residence; providing for the investigation of applicants by either the Department of Social Security or other department designated by the legislature; providing for a fair hearing before the director and for appeals to the courts and introduction of new testimony; providing for burial expenses and other care; making all records confidential; abolishing liens on property; repealing all other acts in conflict herewith.

Be it enacted by the People of the State of Washington:

SECTION 1. Title.

This act shall be known, and may be cited, as the "Senior Citizens Grants Act."

SEC. 2. Declaration of Intent.

On no other issue are the people of the State of Washington, as well as our nation, as united as they are in recognition of the economic and social necessity of returning to our Senior Citizens, the fathers and mothers of our country, part of the wealth which their labor helped to create.

It is simple justice that our government, which owes its industrial construction, its farms, its factories, its entire capital wealth, in fact, to the labor of its pioneers, should provide as an obligation and not as charity, some measure of security to the pioneers.

Although a uniform national pension of prosperity proportions, based on the principles embodied in the Townsend and General Welfare Bills, awarded as a matter of right, not need, is the only adequate and just kind of a pension, until such a pension is won it still remains the duty of the State of Washington at least to take full advantage of the maximum in matching funds that the Federal Government is willing to provide under the Federal Social Security Act, for those without resources and income.

It is therefore hereby declared to be the intention of this measure to provide for Washington's Senior Citizens over sixty-five as liberally as is

possible under the terms of the Federal Social Security Act for securing matching funds.

SEC. 3. Definitions.

(a) "Applicant" shall mean any person applying for a Senior Citizen Grant under the provisions of this act.

(b) "Recipient" shall mean any person receiving a Senior Citizen Grant.

(c) "Grant" or "Senior Citizen Grant" shall mean the funds, federal and/or state made available to recipients under the terms of this act.

(d) "Senior Citizen" shall mean a person eligible for a grant under the terms of this act, and shall not be construed as limiting eligibility for grants to citizens of the United States or the State of Washington.

(e) "Department" shall mean the Department of Social Security or any other agency or department which may hereinafter be designated to administer the provisions of this act.

(f) "Director" shall mean the administrative head of the Department, whether an individual or a board.

(g) "Income" shall mean regular or recurrent gains in cash or kind, excepting therefrom:

- (1) The value of the use or occupancy of the premises in which the applicant resides.
- (2) Foodstuffs, livestock, fuel, light or water produced by or donated to applicant or applicant's family exclusively for the use of applicant or applicant's family.
- (3) Casual gifts in cash which do not exceed \$100 in any one year.

Initiative Measure No. 141

- (4) Casual gifts in kind which do not exceed \$100 in value in any one year.
 - (5) The proceeds from the sale of property which is not a resource, provided such proceeds are used for the purchase of property which is not a resource.
- (h) "Resources" shall mean any property which the applicant owns legally or beneficially, excepting therefrom:

- (1) The ability of relatives or friends of the applicant to contribute to the support of the applicant.
- (2) Insurance policies the cash surrender value of which does not exceed \$500.
- (3) The homestead, home or place of residence of applicant or the spouse of applicant.
- (4) Intangible property or personal property the cash value of which does not exceed \$200.
- (5) The personal effects of the applicant, including clothing, furniture, household equipment and motor vehicle.
- (6) Foodstuffs, livestock, fuel, light or water produced by the applicant, applicant's spouse or family, exclusively for the use of applicant or applicant's family.

Sec. 4. Eligibility.

Senior Citizen Grants shall be awarded to any person who is without resources and who:

- (1) Has attained the age of sixty-five
- (2) Has a yearly income which is less than \$480 and a monthly income which is less than \$40: *Provided*, That if Federal contributions to Senior Citizen Grants are made payable in excess of \$20 month any applicant shall be eligible whose yearly income is less than twenty-four times the maximum monthly Federal contribution, or whose monthly income is less than twice the maximum monthly Federal contribution.
- (3) Has been a resident of the State of Washington for at

least five years within the last ten.

- (4) Is not at the time of making application a permanent inmate of a public institution of a custodial, correctional or curative character.
- (5) Has not made a voluntary assignment or transfer of property or cash for the purpose of qualifying for a Senior Citizen Grant.

Sec. 5. How and When Grants Shall Be Paid.

Senior Citizen Grants shall be awarded:

(a) To each eligible applicant sixty-five years of age or over in the sum of not less than \$40 per month on a uniform state-wide basis, minus the income of applicant from other sources: *Provided*, That in the event Federal matching funds shall be available in excess of \$20 per month per person, the Grants shall be increased to not less than twice that amount, minus the income of applicant from other sources.

(b) If the Federal government lowers the age limit at which matching funds will be granted for old age grants, then and in that event the state shall award Senior Citizen Grants of at least twice the maximum Federal funds available per person per month to all eligible above the age as established by the Federal government, such grants to be awarded on the terms and conditions as provided for in Section 5, subsection (a).

(c) Upon approval of an application, the grant shall be paid as of the date of application.

Sec. 6. Applications.

Application for Senior Citizen Grants shall be made to the Department, or an authorized agency of the Department. An applicant may apply in person or the application may be made by another in his behalf. Such application may be made in writing or reduced to writing upon standard forms prescribed and furnished by the Department and a copy of his application shall be furnished to each applicant at the time of application.

An inmate of an institution of a curative, correctional or custodial character may make application while

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in such institution and if found otherwise eligible shall be given one month's grant immediately preceding his departure from such institution.

SEC. 7. Investigation.

Whenever the Department or an authorized agency thereof receives an application for a grant, an investigation and record shall be promptly made of the facts supporting the application. The Department shall be required to approve or deny the application within thirty days after the filing thereof and shall immediately notify the applicant in writing of its decision. The failure of the Department to notify the applicant of its decision within thirty days after the date of filing the application shall constitute a denial of said application.

SEC. 8. Fair Hearings on Grievances.

Any applicant feeling himself aggrieved by the decision of the Department or an authorized agency of the Department, shall have the right to a fair hearing, to be conducted by the director of the Department or by a duly appointed, qualified and acting supervisor thereof, or by an examiner especially appointed by the director for such purpose. The hearing shall be conducted in the county in which the appellant resides, and a transcript of the testimony shall be made and included in the record, the costs of which shall be borne by the Department. A copy of this transcript shall be given the appellant.

Any appellant who desires a fair hearing shall within sixty days after receiving notice of the decision of the Department or an authorized agency of the Department file with the Director a notice of appeal from the decision. It shall be the duty of the Department upon receipt of such notice to set a date for the fair hearing, such date to be not more than thirty days after receipt of notice. The Department shall notify the appellant the time and place of said hearing at least five days prior to the date thereof, either by registered mail or by personal service upon said appellant.

At any time after the filing of the notice of appeal with the director, any appellant or attorney, or authorized

agents of the appellant shall have the right of access to, and can examine any files and records of the Department in the case on appeal.

It shall be the duty of the Department within thirty days after the date of the hearing to notify the appellant of the decision of the Director and the failure to so notify the appellant shall constitute an affirmation of the decision of the Department.

SEC. 9. Court Appeals.

In the event the applicant feels himself aggrieved by the decision rendered in the hearing provided for in the foregoing section, he shall have the right to appeal to the Superior Court of the county of his legal residence, which appeal shall be taken by a notice filed with the clerk of the court and served upon the director either by registered mail or by personal service within sixty (60) days after the decision of the Department has been affirmed or modified as provided in the foregoing section. Upon receipt of the notice of appeal, the Clerk of the Superior Court shall immediately docket the cause for trial and no filing fee shall be collected of the applicant.

Within ten (10) days after being served with a notice of appeal, the director of the Social Security Department shall file with the clerk of the Court the record of the case on appeal, and no further pleadings shall be necessary to bring the appeal to issue.

The applicant and the Director shall have the right to present any additional evidence which the court shall deem competent, relevant or material to the case. The Superior Court shall decide the case on the record, and on any evidence introduced before it. The court may affirm, modify or reverse the decision of the Director and fix the amount of assistance to which the applicant shall be entitled under this act. Either party may appeal from the decision of the Superior Court or the Supreme Court of the State, which appeal shall be taken and conducted in the manner provided by law or by the rules of court applicable to civil appeals: *Provided, however,* That no bond shall be required on any appeal under this act. In the event that either the Superior

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Court or the Supreme Court renders a decision in favor of the applicant, said applicant shall be entitled to reasonable attorney's fees and costs. If a decision of the Director or of the Court is made in favor of an applicant who has appealed, assistance shall be paid from the time of application.

SEC. 10. Rules and Regulations

The Department is hereby authorized to make rules and regulations not inconsistent with the provisions of this act to the end that Senior Citizen Grants may be administered uniformly throughout the state, and that the spirit and purpose of this act may be complied with. Such rules and regulations shall be filed with the Secretary of State thirty (30) days before their effective date, and copies shall be available to the public upon request.

SEC. 11. Age and Length of Residence Verification.

Proof of age and length of residence in state of any applicant may be established as provided by the rules and regulations of the Department: *Provided*, That if an applicant is unable to establish proof of age or length of residence in state by any other method he may make a statement under oath of his age on the date of application or of the length of his residence in the state, before any judge of the Superior Court or any Justice of the Supreme Court of the State of Washington, and such statement shall constitute sufficient proof of age of applicant or of the length of residence in the state: *Provided, however*, That any applicant who shall wilfully make a false statement as to his age or length of residence in the state under oath before a judge of the Superior Court or a justice of the Supreme Court, as provided above, shall be guilty of a felony.

SEC. 12. Liens on Property Prohibited.

Senior Citizen Grants given to an applicant under the provisions of this act shall not be recoverable as a debt due the state, except where such funds have been received by the applicant contrary to the provisions of this act, or by fraud or deceit. Any

claims which have accrued or which shall in the future accrue under the provisions of Chapters 25 and 216 of the laws of 1939 are hereby renounced and declared to be null and void.

SEC. 13. Burial Expenses.

Upon the death of any recipient under this act, funeral expenses in the sum of \$100 shall be paid by the Department.

SEC. 14. Copy of Law to Be Distributed.

A copy of all laws relating to the application and granting of Senior Citizen Grants shall be given to each applicant upon application.

SEC. 15. Additional Care.

In addition to Senior Citizen Grants, the Department shall provide for those eligible medical, dental, surgical, optical, hospital and nursing care by a doctor of recipient's own choosing; and shall also provide artificial limbs, eyes, hearing aids and other needed appliances.

SEC. 16. Grants Not Assignable Nor Subject to Execution.

Grants awarded under this act shall not be transferable or assignable, at law or in equity, and none of the money paid or payable under this act shall be subject to execution, levy, attachment, garnishment, or other legal process, or to the operation of any bankruptcy or insolvency law.

SEC. 17. Violation or Attempted Violation a Felony.

Any violation, or attempted violation or evasion of the provisions of this act by any official or employe of the Department or of its agencies shall constitute a felony and shall disqualify such official or employe from further employment in the Department or any of its agencies.

SEC. 18. Appropriations.

The legislature shall levy such additional taxes and appropriate from the general fund such additional taxes as may be necessary to pay the grants provided under this act.

SEC. 19. Administration.

Sufficient administrative staff shall be hired to carry out in an efficient manner, and under the merit system,

Initiative Measure No. 141

the provisions of this act. All employees, including home visitors, shall be state employees, and as such shall be covered by the state minimum wage law.

SEC. 20. *Records Confidential.*

All applications and income records concerning any applicant shall be confidential and shall be open to inspection only by persons duly authorized by the state or the United States in connection with their official duties: *Provided*, That this shall not be construed as interfering with the right of applicant, or his attorney or authorized agent from examining such records when applicant's case is on appeal, as provided above.

SEC. 21. *Unconstitutionality of One Section Shall Not Affect Others.*

If any portion, section or clause of this act shall for any reason be declared unconstitutional, invalid or not in accordance with the provisions of the Federal Social Security Act, such adjudication shall not affect the remainder of the act.

SEC. 22. *Repealing Acts in Conflict.*

All acts or parts of acts in conflict herewith are hereby repealed.

SEC. 23.

This act is necessary for the preservation of the public peace, health and safety, the support of the state government and its existing institutions.

ARGUMENT FOR INITIATIVE MEASURE NO. 141

"THE \$40 A MONTH PENSION INITIATIVE"

It is only common justice, patriotism and humanity to provide a \$40 a month pension for our senior citizens over sixty-five in their remaining years. They have helped to develop the northwest from a wilderness to a great state with over three billion dollars of tangible wealth.

Under 141 our state agrees to put up \$20 to match the \$20 a month which the Federal Government has appropriated for each senior citizen without resources. It is just good business for us to take advantage of the full amount the government has made available to us for senior citizen grants, because for every dollar the state provides, the Federal Government gives us another dollar to match it.

At this crucial time when the markets of the world are being cut off, it is essential that we develop our markets at home. 141, by increasing nearly a million dollars a month the purchasing power of those now least able to buy the products of farm and factory is our state's contribution to a national program to build markets at home.

Thus, 141 will benefit you, if you work for wages or for a salary, or if you are an independent business man. There will be more people to buy your goods or your services. Your job or your business will be more secure.

141 will benefit you if you are a farmer. It will augment the orange and blue stamp plan of the Federal Government to sell surplus farm products on a home market. An estimated 80,000 senior citizens will be better able to buy needed food products.

141 will benefit you if you have relatives over sixty-five. No longer will they be refused a pension just because you have a job, even though that job may pay you scarcely enough to support your own family.

141 will benefit you if you are now eligible to receive a pension. You will no longer be subjected to useless and humiliating obstacles in the way of receiving the grant you are entitled to. 141 abolishes the requirement that you must assign all your prop-

erty to the state before you can receive a pension, and it cancels previous assignments. It abolishes all of the arbitrary and inhuman rules now enforced by the Social Security Department. Under 141, senior citizen grants will be paid in accordance with the law, and those unjustly deprived are afforded a speedy and fair appeal. For these and many other reasons, 141 is worth while even if it failed to raise pension payments by a single penny.

Under 141 it is mandatory that the legislature and the administration appropriate the revenue to pay the full \$40 senior citizen grant. The law will be enforced.

141 will be supported by those who want the means of raising revenue left to the legislature. The Washington State Grange and other organizations interested in taxation according to ability to pay have proven that there is vast untaxed wealth in the state, sufficient to provide revenue for the full \$40 grant of 141, with enough left over substantially to increase funds for schools and other necessary state functions. This revenue can be raised without in the least increasing the tax burden of those least able to pay.

141 meets all the requirements of the Federal Social Security laws to secure Federal matching funds. Upon its passage it will go into effect as an amendment to the present state Social Security act. Funds will be immediately available under existing laws to pay senior citizen grants.

It is fair and just that all the citizens of our state support 141, that all may benefit.

Endorsed by: Many farm, labor, community and pension groups.

Sponsored by:

WASHINGTON OLD AGE
PENSION UNION,

WILLIAM J. PENNOCK,
Executive Secretary.

STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State, July 11, 1940, by Wm. J. Pennock, Executive Secretary, Washington Old Age Pension Union.
BELLE REEVES,
Secretary of State.

ARGUMENT AGAINST INITIATIVE MEASURE NO. 141

Under present law this state is one of the three most liberal in the United States in its care for the needy aged. Initiative 141 is said by its sponsors to enlarge and improve upon our present old age assistance program. In sober fact, it does precisely the contrary. Initiative 141 by outright repeal of present law destroys our high standard of old age aid, provides no workable substitute, and even denies to our legislature power to enact such a substitute for the next two years. While deceptively holding out to the aged a baseless hope of added aid, it actually would take from them the help they now receive, and for two years would deny them any substitute. Friends of the aged needy will vote **AGAINST** Initiative 141.

Initiative 141 would add about \$26,000,000.00 annually (Fraternal Order of Eagles' estimate varies—see Appendix) to the state's operating costs, and provides not even a suggestion as to where to find the money. There is no possible way in which to extract \$26,000,000.00 more per year in taxes from this state's already burdened workers, farmers, homeowners and industries. Sponsors of the Initiative know this, and by avoiding the issue they attempt to load the burden of inevitable failure upon the legislature. Notwithstanding that no provision is made for obtaining the funds, the Initiative would make criminals of those public officials who fail, as fail they must, to spend this fantastic sum of money. Their only possible legal recourse would be to deduct the necessary money from schools, relief, aid to the blind and other state wards, and from other necessary state services. Schools are the largest single state obligation, and would therefore suffer first and most. Friends of the schools will vote **AGAINST** Initiative 141.

Initiative 141 fails to comply with the provisions of the Federal act, under which funds are made available for old age assistance only if the state act meets Federal standards. Our present law, which this Initiative would repeal, does meet those requirements, and provides old age aid on a basis equalled in liberality by only two other states in the Union. Initiative 141 deviates from Federal

requirements in at least two fundamentals; it does not confine payments to the actually needy, and it does not provide any means for, nor assurance of, its own financing. The Executive Director of the Federal Social Security Board, in a recent letter regarding this Initiative, says, "Unless the State has funds available to meet (its) proportion of the cost, or is able to provide the Board with reasonable assurance that such funds will be available, the Board would not be authorized to make grants to the State."

Chief sponsor of Initiative 141 is the Washington Commonwealth Federation, whose radical leanings need no comment here. A principal aim of the W. C. F. is the creation of conditions favorable to the propagation of its own peculiar political philosophy. No more fertile seed-bed for Communist propaganda could be imagined than one created by the bitter disappointment and suffering resulting from adoption of Initiative 141 with its inevitable destruction of present old age assistance, and its denial of any opportunity to provide adequately for the aged for another two years. Friends of American democracy will vote **AGAINST** Initiative 141.

Let us keep the solid gains we have made for our needy aged, improve them as we can, and protect them by voting **AGAINST** Initiative 141.

WASHINGTON STATE TAXPAYERS ASSOCIATION.

By **FLOYD OLES**, *Manager.*

APPENDIX

SEATTLE AERIE NO. 1

FRATERNAL ORDER OF EAGLES

"Seattle, Washington
July 19, 1940

"Washington State Taxpayers Association

Seattle, Washington

"Dear Sir:

"In answer to your inquiry regarding the attitude of the Eagles of the State of Washington toward Initiative 141, you are informed that a resolution has been adopted by the Washington State Eagles Old Age Pension Committee recommending amend-

Argument Against Initiative Measure No. 141

ments to liberalize the present laws and also recommending increased appropriations by the 1941 state legislature.

"We will continue fighting for the needy aged of the state. As to Initiative No. 141, however, the unanimous resolution of the Eagles Old Age Pension Committee speaks for itself. It reads as follows:

"*Be It Further Resolved* that the Washington State Eagles Old Age Pension Committee, believing that the interests of the needy aged of the State of Washington must at all cost be protected and preserved, and after a most careful and serious study and investigation of Initiative 141, commonly known as the Senior Citizens Grants Act, finds that said initiative should not pass, and opposes the same for the following reasons:

- "1. It repeals all existing old age pension legislation in the State of Washington.
- "2. No provision is made in the initiative for raising or appropriating the necessary funds to pay the grants therein mentioned with the result that the payment of assistance will be wholly dependent upon action of the State Legislature.
- "3. The initiative would require the expenditure of not less

than \$80,000,000 per biennium, which is more than the taxpayers can pay without new and oppressive taxes.

"4. There is grave doubt as to whether the provisions of the Federal Social Security Act would permit the payment of matching funds to the state under the provisions of Initiative 141.

"5. There is grave doubt as to whether funds appropriated under the present old age assistance laws could be legally used to pay pensions between December 5, 1940, the time the initiative would go into effect if passed, and the enactment of new appropriations by the Legislature.

"Sincerely yours,

"JAMES W. BRYAN, *Chairman*
Washington State Eagles
Old Age Pension Committee

"FRANK DOWD, *Secretary*"

STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State, July 23, 1940, by Floyd Oles, Manager, Washington State Taxpayers Association.

BELLE REEVES,
Secretary of State.

Referendum Bill No. 5

BALLOT TITLE

AN ACT relating to taxation; limiting the aggregate annual rate of levy on real and personal property for state, county, city or town, school district and road district purposes to forty mills; limiting the levy for the state to two mills to be used exclusively for the support of the University of Washington, Washington State College and the Normal Schools; limiting the levy by counties, cities and towns, school districts and road districts to certain designated maximums; excepting port or power districts from the operation of the act; and providing that additional levies may be made as therein provided.

SENATE BILL NO. 487

AN ACT relating to the taxation of real and personal property and limiting the aggregate annual rate of levy thereon for all purposes to forty mills, and submitting this act to the people for their approval or rejection at the general election in November, 1940.

Be it enacted by the Legislature of the State of Washington:

SECTION 1. Except as hereinafter provided, the aggregate of all tax levies upon real and personal property by the state, municipal corporations, taxing districts and governmental agencies, now existing or hereafter created, shall not in any year exceed forty mills on the dollar of assessed valuation, which assessed valuation shall be fifty per centum of the true and fair value of such property in money; and within and subject to the aforesaid limitation the levy by the state shall not exceed two mills to be used exclusively for the support of the University of Washington, Washington State College and the State Colleges of Education; the levy by any county shall not exceed ten mills including any levy for the county school fund required by law, the levy by or for any school district shall not exceed ten mills, the levy for any road district shall not exceed three mills, and the levy by any city or town shall not exceed fifteen mills: *Provided*, That nothing herein shall prevent levies at the rates provided by existing law by or for any port or power district: *Provided, further*,

That the limitations imposed by this section shall not prevent the levy of additional taxes, not in excess of five mills per annum and without anticipation of delinquencies in payment of taxes, in an amount equal to the interest and principal payable in the next succeeding year on general obligation bonds, outstanding on December 6, 1934, issued by or through the agency of the state, or any county, city, town, or school district, nor the levy of additional taxes to pay interest on or toward the reduction, at the rate provided by statute, of the principal of county, city, town or school district warrants outstanding on December 8, 1932; but the millage limitation of this proviso with respect to general obligation bonds shall not apply to any taxing district in which a larger levy is necessary in order to prevent the impairment of the obligation of contracts: *Provided, further*, That any county, school district, city or town shall have the power to levy taxes at a rate in excess of the rate specified in this act, when authorized so to do by the electors of such county, school district, city or town by a three-fifths majority of those voting on the proposition at a special election, to be held in the year in which the levy is made, and not oftener than once in such year, in the manner provided by law for holding general elections, at such time as may be fixed by the body authorized to call the same, which special election may be called by the board of county commissioners, board of school directors, or council or other governing body of any city or town, by giving notice thereof for two

Referendum Bill No. 5

successive weeks by publication and posting in the manner provided by law for giving notices of general elections, at which special election the proposition of authorizing such excess levy shall be submitted in such form as to enable the voters favoring the proposition to vote "YES," and those opposed thereto to vote "NO": *Provided*, That the total number of persons voting at such special election shall constitute forty per cent of the voters in said taxing district who voted for the office of governor at the next preceding gubernatorial election.

Sec. 2. This act shall be referred and submitted to the people for their approval and ratification or rejection at the general election to be held in this state on the Tuesday next succeeding the first Monday in November, 1940, by the officers and in the manner provided by Section 5416 of Remington's Revised Statutes.

Passed the Senate March 7, 1939.

Passed the House March 7, 1939.

Approved by the Governor March 10, 1939.

An Amendment to the State Constitution

To Be Submitted to the Qualified Electors of the State for Their Approval
or Rejection at the

GENERAL ELECTION

TO BE HELD ON

Tuesday, November 5, 1940

CONCISE STATEMENT

A RESOLUTION amending the Constitution of the State of Washington by repealing section 7 of Article XI which section limits the tenure of county officers to two successive terms.

SENATE JOINT RESOLUTION NO. 1

Be It Resolved, By the Senate and the House of Representatives of the State of Washington, in legislative session assembled:

That at the general election to be held in this state on the Tuesday next succeeding the first Monday in November, 1940, there shall be submitted to the qualified voters of this state for their adoption, and approval or rejection, an amendment to the Constitution of the State of Washington, repealing Section 7 of Article XI.

And Be It Further Resolved, That the Secretary of State shall cause the foregoing constitutional amendment

to be published for at least three (3) months preceding the election, in a weekly newspaper in every county where a newspaper is published throughout the state.

Passed the Senate February 8, 1939.

VICTOR A. MEYERS,
President of the Senate.

Passed the House March 5, 1939.

JOHN N. SYLVESTER,
Speaker of the House.

STATE OF WASHINGTON—*vs.*

Filed in the office of the Secretary of State, March 7, 1939.

BELLE REEVES,
Secretary of State.

ARGUMENT FOR CONSTITUTIONAL AMENDMENT

ABOLISHING TWO-TERM LIMITATION UPON COUNTY OFFICIALS

This constitutional amendment seeks to amend the constitution by deleting Article XI, Section VII, which reads: "No county officer shall be eligible to hold his office more than two terms in succession."

Origin of Limitation. This limitation was placed in the constitution in 1889 by the framers of that document. There is no general agreement as to the reason for placing it there. One explanation is that it was a punitive attack upon certain county officials then holding office. Another reason assigned is that certain colonial charters had similar provisions.

Undemocratic Nature. Many officials are elected to represent the various governments in the State of Washington. All judges, city officials, school directors, federal officials and all state officials, save one, are permitted to run for office and succeed themselves as many times as the people see fit to reelect them. Only county officials have been selected for restriction as to tenure. There is no reason to place a limit upon these county officials and not place one upon offices of greater or lesser importance.

The Recall and Direct Primary. If there was any justification in imposing this limitation in 1889, it was that at that time, candidates were nominated in party conventions, often securing nomination by the employment of dubious methods, and the people were not armed with the recall. All this has been changed in this state, and since 1912, the people have been permitted to name the candidates in a direct primary and have been furnished an effective weapon for removal in the recall.

Safeguards. Some uninformed have attempted to argue that a limitation upon the tenure of county officials is necessary in order to rid the people of undesirable officials. Any incumbent county official must face the electorate both in the party primary and again in the general election. He also may be recalled; may be indicted by a grand jury; or the prosecuting attorney may file an informa-

tion against him. Therefore, there are at least five immediate remedies in the hands of the people in order to bring about removal of unworthy or discredited county officials.

Loss of Efficiency. No private industrial or labor or fraternal organization would discharge a successful president or other officer merely because he had served eight years. That is what Article XI, Section VII of the Washington constitution does. The result is that many men of integrity and education are loath to seek county official positions. The ousting of an official simply because his constitutional limitation has expired is accompanied by a wholesale turnover in the personnel employed in his office. It costs the taxpayers thousands of dollars to train a new set of employees. Furthermore, the man who has headed an office for eight years and has met with the approval of the electorate is usually far better prepared to carry on the duties of that office than some other individual who is not conversant with them. Another result of the limitation on the tenure of county officials, now imposed by the constitution, is a system of rotation in office commonly known as the "crown prince" system. This means that the man who has served two terms and is no longer eligible uses his power and resources to elect either a friend or one of his employees, usually his chief deputy. Should this "crown prince" be elected, as he usually is, he is only the titular head of the office. The policies are decided and the acts of the elected official dictated, to a great extent, by the retiring office holder, who has been ousted merely because his two terms have expired. This creates an undemocratic situation in which an official elected to the office is really not the head of the office, and is forced to accept the counsel of some other individual not then directly responsible to the people.

Employee Protection. Despite modern trends in civic procedure, the county government has remained the last great stronghold of the spoils system. Nearly all federal, many

Argument for Constitutional Amendment

state, and nearly all city employees are protected by suitable civil service laws and commissions. Several times the establishment of civil service for the employees of county officials has been proposed and has failed of adoption, both as an initiative and as attempted legislation in the state legislature. These employees are therefore subject to immediate dismissal upon the accession of a new official. The greatest safeguard to the employee and the most desirable protection to the electorate against violent overturn in the personnel manning these county offices is to make possible the retention of the office by the individual who has associated these employees with himself. Thus the body politic would be protected against sudden upheaval and overturn, the consequent loss of efficiency, while the employee himself would not have the constant shadow of approaching unemployment hanging over him.

Career and Stability. Many men who have held county official positions in the past, or now hold them, would like to make a career out of the work. They are prohibited from doing so, due to the constitutional limitation upon their tenure which this amendment seeks to abolish. Every eight years, they are ineligible to succeed themselves. Therefore, during the second term, many of them are compelled to neglect, to a certain degree, the duties and improvement of their offices in order to build their fences for a successful campaign for some other office. You will notice that an official whose tenure of office ends in 1942 will usually run for some state or federal office in 1940, and failing that, will become a candidate for some other office in 1942. The old system makes for a four-year period of unrest and uncertainty and tends to induce the official to have little regard for improvement and stability in the office which he then holds. The

adoption of this constitutional amendment would correct this undesirable practice.

Recent Trend. In recent years, New York, Ohio and Wisconsin have removed somewhat similar limitations. Idaho and California did so several years ago. Washington and Indiana are the only states with a blanket limitation upon all county officials. The Indiana constitution was framed in 1816.

Remember that there are at least five ways to retire unwanted officials —by elimination in the primary and general elections, by recall, by information filed by the prosecuting attorney, or by grand jury action.

The two-term limitation keeps good men from serving you faithfully. The present amendment does not guarantee continuity of officials in office; it merely permits you to continue them if you want them.

Vote "For" this constitutional amendment.

RUFUS WOODS,

Publisher, Wenatchee,

THOMAS W. MORRIS,

Vice-President, Washington State Federation of Labor, Spokane,

NATHAN ECKSTEIN,

President, Schwabacher Bros. & Company, Seattle,

DEWEY G. BENNETT,

Sec. Local 1-19, International Longshoremen's and Warehousemen's Union, Seattle,

BEN KIZER,

Attorney, Spokane,

GEORGE DONWORTH,

Lawyer, Seattle.

STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State, September 11, 1939, by Earl Millikin, King County Auditor.

BELLE REEVES,
Secretary of State.

An Amendment to the State Constitution

To Be Submitted to the Qualified Electors of the State for Their Approval
or Rejection at the

GENERAL ELECTION

TO BE HELD ON

Tuesday, November 5, 1940

CONCISE STATEMENT

A RESOLUTION amending Section 11, Article XII of State Constitution authorizing legislature to provide that stockholders of banks organized under laws of this state which shall provide and furnish, through membership in Federal Deposit Insurance Corporation or any other instrumentality of the United States Government, insurance or security for payment of debts equivalent to requirements furnished by national banks be relieved from personal liability to same extent as stockholders in national banks, under federal law.

SENATE JOINT RESOLUTION NO. 8

Providing for an amendment of Section 11 of Article XII of the Constitution of the State of Washington relating to the liability of stockholders in corporations, including banking corporations, for the debts and obligations of such corporations, and enabling the legislature to provide for the placing of the liability of stockholders of banking corporations organized under the laws of this state for the debts and obligations of such corporations upon a basis of equality with the liability of stockholders of national banking associations for the debts and obligations of such associations under the laws of the United States.

Be It Resolved, By the Senate and House of Representatives of the State of Washington, in legislative session assembled:

That at the general election to be held in this state on the Tuesday next succeeding the first Monday in November, 1940, there shall be submitted to the qualified electors of this state for their approval and ratification, or rejection, an amendment of Section 11 of Article XII of the Constitution of the State of Washington, so that said section when amended shall read as follows:

Section 11. No corporation, association, or individual shall issue or put in circulation as money anything but the lawful money of the United States. Each stockholder of any banking or insurance corporation or joint stock association shall be individually and personally liable equally and ratably, and not one for another, for all contracts, debts, and engagements of such corporation or association accruing while they remain such stockholders, to the extent of the amount of their stock therein at the par value thereof, in addition to the amount invested in such shares.

The legislature may provide that stockholders of banking corporations organized under the laws of this state which shall provide and furnish, either through membership in the Federal Deposit Insurance Corporation, or through membership in any other instrumentality of the Government of the United States, insurance or security for the payment of the debts and obligations of such banking corporation equivalent to that required by the laws of the United States to be furnished and provided by national banking associations, shall be relieved from liability for the debts and obligations of such banking corporation to the same extent

An Amendment to the State Constitution

that stockholders of national banking associations are relieved from liability for the debts and obligations of such national banking associations under the laws of the United States.

And Be It Further Resolved, That the Secretary of State shall cause the foregoing constitutional amendment to be published for at least three months next preceding the election in a weekly newspaper in every county where a newspaper is published throughout the state.

Passed the Senate February 21, 1939.

VICTOR A. MEYERS,
President of the Senate.

Passed the House March 5, 1939.

JOHN N. SYLVESTER,
Speaker of the House.

STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State, March 7, 1939.

BELLE REEVES,
Secretary of State.

ARGUMENT FOR ADOPTION OF SENATE JOINT RESOLUTION NO. 8

This amendment to the Constitution is endorsed by the Banking Department of the State of Washington and by the Federal Deposit Insurance Corporation.

The State Constitution now provides that each stockholder in a state bank shall be individually liable for the par value of his stock in addition to the amount of his original investment. The adoption of this amendment to the Constitution authorizes the legislature to eliminate the double liability feature.

On July 1, 1937, Congress exempted all national banks from double liability. The Congress was prompted to repeal the double liability on national banks with the creation of the Federal Deposit Insurance Corporation. Deposit insurance replaces double liability and eliminates the need or desirability of double liability.

As it now stands, the state banks of Washington are subject to double liability, while national banks are not. Such discrimination is a decided handicap in attracting and holding

responsible individuals as stockholders in state banks. Private capital is likewise reluctant to invest in state banking corporations while this provision exists.

There are now only seven states in the United States in which the double liability provision remains and action to correct this situation is now pending in most of these.

The 1939 legislature voted (only four dissenting votes) to ask for this amendment to relieve state banks—whose deposits are insured by the Federal Deposit Insurance Corporation—from the double liability provision, thus placing them on a parity with national banks.

WASHINGTON BANKERS
ASSOCIATION,
G. S. ROBINSON, *Secretary*.

STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State September, 11, 1939, by G. S. Robinson, Secretary, Washington Bankers Association.
BELLE REEVES,
Secretary of State.

An Amendment to the State Constitution

To Be Submitted to the Qualified Electors of the State for Their Approval
or Rejection at the

GENERAL ELECTION

TO BE HELD ON

Tuesday, November 5, 1940

CONCISE STATEMENT

A Resolution amending Article III of the State Constitution by adding a new section, to be known as Section 26, providing that the people, by initiative, or the legislature by appropriate enactment, may fix, change, raise or lower the salary of any constitutional officer of the state, including members of the legislature, but limiting the salary of legislators to fifty dollars per month, and repealing all constitutional salary limitations.

HOUSE JOINT RESOLUTION NO. 13

Be It Resolved, By the Senate and the House of Representatives of the State of Washington in legislative session assembled:

That at the general election to be held in this state on the Tuesday next succeeding the first Monday in November, 1940, there shall be submitted to the qualified electors of this state for their approval and ratification, or rejection, an amendment to Article III of the Constitution of the State of Washington, by adding thereto a new section to be designated Section 26 as follows:

Section 26. The people by initiative, or the legislature by appropriate enactment, may fix, change, raise or lower the salary of any constitutional or other officer of the state, including

members of the legislature: *Provided, however*, The salary of the legislators shall not exceed Fifty Dollars per month. Any and all constitutional provisions to the contrary are hereby repealed.

Passed the House March 8, 1939.

JOHN N. SYLVESTER,
Speaker of the House.

Passed the Senate March 7, 1939.

VICTOR A. MEYERS,
President of the Senate.

STATE OF WASHINGTON--s.

Filed in the office of the Secretary of State, March 13, 1939.

BELLE REEVES,
Secretary of State.

