CALIFORNIA STATE ARCHIVES
SECRETARY OF STATE

P R O P O S E D

Amendments to Constitution

Propositions and Proposed Laws

TOGETHER WITH ARGUMENTS

TO BE SUBMITTED TO THE ELECTORS
OF THE STATE OF CALIFORNIA

GENERAL ELECTION
TUESDAY, NOV. 3, 1942

COMPILED BY FRED B. WOOD, LEGISLATIVE COUNSEL
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NOTICE

In setting forth in Part II hereof the text of the proposed measures, NEW laws and NEW provisions proposed to be ADDED to or INSERTED in the Constitution or ADDED to or INSERTED in existing laws, are printed in **BLACK-FACED TYPE;** EXISTING provisions of the Constitution and provisions of EXISTING laws proposed to be DELETED or REPEALED are printed in ~~STRIKE-OUT TYPE~~.

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PART I—ARGUMENTS

1	**PROHIBITING "HOT CARGO," "SECONDARY BOYCOTT." Referendum against Act of Legislature (Chapter 623, Statutes 1941).** Declares unlawful "hot cargo" and "secondary boycott," allowing person injured injunction and damages. Defines "hot cargo" as combination or agreement resulting in employer's or employee's refusal to handle goods or perform services because of another employer's labor dispute or contract; "secondary boycott" as combination or agreement to cease performing services or cause any employer loss to induce him to refrain from business with another employer because of latter's labor dispute. Act effective to May 1, 1943, or during proclaimed national emergency or war.	YES NO

(For full text of measure, see page 1, Part II)

Argument in Favor of Referendum Measure Prohibiting Hot Cargo, Secondary Boycott

Senate Bill No. 877, commonly referred to as the "Hot Cargo and Secondary Boycott" law, is a wartime measure designed:

(1) to prevent interruption of essential industry during the war emergency for the satisfaction of the questionable motives of certain so-called labor "leaders";

(2) to secure American workmen against industrial disputes with which they are not directly concerned;

(3) to curb for the duration in the public interest the abuse of excessive powers assumed by labor "leaders."

This law was enacted by the California State Legislature at its session in 1941, and was vetoed by the Governor. It was submitted to full and open hearings and debate before it was passed over the Governor's veto by a vote of 33 to 5 in the Senate and 54 to 26 in the Assembly.

The "Hot Cargo and Secondary Boycott" law is a patriotic measure which will defend the right of every man to honest employment by prohibiting labor dictators from forcing workers who have no quarrel with their employer to quit work because of some remote dispute about which he knows nothing. It will protect the nation in wartime against the loss of countless man-hours in essential industry. It will defend the workman against loss of income brought about by disputes to which he is not a direct party. It will put honest workmen and their employers beyond the interference of labor "leaders" who would tie up all industry—the farm as well as the factory—if necessary to gain their dictatorial ends.

These "leaders" have fostered the referendum against Senate Bill No. 877 in order to solidify themselves as dictators of public policy in this State for the advantage of their own powerful ring.

A "YES" vote on this referendum proposal will be a vote to support your regularly elected Legislative Representatives against devices of dictator-minded individuals; a vote to confine industrial disputes to the parties directly involved.

Senate Bill No. 877, which these enemies of labor and of honest legislation would defeat,

DOES NOT interfere in any way with the right of organized labor to strike.

DOES NOT prohibit aggrieved employees from picketing the establishment of their employer.

DOES NOT interfere in any way with the right of labor to collective bargaining.

DOES NOT compel any man to work against his will.

DOES NOT interfere in any way with the practices or precepts of legitimate trade unionism.

But this bill does outlaw for the duration of the war an "unsound weapon" which is "nothing but a racket."

These activities will be unlawful for the duration under the "Hot Cargo and Secondary Boycott" law which labor "leaders" intoxicated with power are now trying to upset.

If honest labor's pledge to refrain from work stoppages during the war emergency is kept, this law need never be invoked. If such pledges are not kept, this law should be, MUST BE, available.

Vote "YES."

Outlaw "hot cargoes" and "secondary boycotts" for the duration of the war.

W. P. RICH,
Senator, Tenth District.
FRANK L. GORDON,
Senator, Eleventh District.

Argument Against Referendum Measure Prohibiting Hot Cargo, Secondary Boycott

Proposition No. 1 is essentially un-American and is contrary to all of the principles for which America is now shedding its life's blood; it is an attempt on the part of cliques of short-sighted and selfish employers to enslave millions of American working men who are strivi unceasingly to protect the democratic insti

tions of America. It is an attempt by these employers to cause dissension and discord in this crucial time when national unity is most ential to preserve our Republic.

Proposition No. 1 is clearly unconstitutional. While the bill was still before the Legislature, the Attorney General, Mr. Earl Warren, now candidate for governor, rendered an opinion to the effect that the bill was of doubtful constitutionality, and the Legislative Counsel, Mr. Fred Wood, who is the official legal adviser of the State Legislature on these matters, also rendered an opinion that the bill is unconstitutional, at least in part.

For more than thirty years the Supreme Court of California has upheld the right of boycott, both primary and secondary. A primary boycott exists when a group of people decide that they will not patronize a certain individual or firm either by buying goods from him or selling goods to him or by working for him. A secondary boycott means that if a certain individual or firm is manufacturing goods under unfair conditions, either by failure to pay a living wage or under sweatshop conditions generally, any group of citizens may decide not to purchase those particular goods, and furthermore, may decide that they will not deal with any concern which handles those goods. A decision or determination or agreement not to deal with any one whom you do not like is declared to be a constitutional right both by the Supreme Court of California and by the Supreme Court of the United States.

Proposition No. 1 makes it unlawful to refuse to work for an unfair or an un-American employer or to refuse to handle, or to induce any one to refuse to handle or purchase the goods of such employer, if such employer has a dispute with his employees or labor organization.

Proposition No. 1 affects not only working people and labor unions, but the general public as well. A citizen would be subjected to a suit for damages or for injunction if he, in the exercise of his constitutional right of free speech, makes a statement which even indirectly induces an employer to refrain from selling the product of an unfair employer who is having a dispute with his employees, or causes the public to patronize such store.

The expression by any person of sympathy with a group of workers who are attempting to better their working conditions which directly or indirectly causes loss to such unfair employer, will subject such public spirited and humane person to a suit for damages. No one is exempt from the provisions of Proposition No. 1. It affects the employer, the employee, and the general public.

Proposition No. 1 is a veritable slave bill in that it would compel employees to work against their will. This would introduce into the State of California a condition of involuntary servitude which is contrary to both Federal and State constitutions, and which was abolished many years ago by Abraham Lincoln. This new form of slavery is even more extensive in that it applies to persons of all races, colors and creeds.

C. J. HAGGERTY,
President, California State Federation of Labor.

EDWARD D. VANDELEUR,
Secretary, California State Federation of Labor.

J. W. BUZZELL,
Secretary, Los Angeles Central Labor Council.

2

ANNUAL LEGISLATIVE SESSIONS AND BUDGETS. Senate Constitutional Amendment 7. Amends Constitution, Article IV, sections 2 and 34. Requires annual sessions of Legislature, unless Governor in interim convenes Legislature in extraordinary session; all sessions, except extraordinary, commencing first Monday in March and continuing not exceeding 60 days; members' compensation, provided by section 23 same Article, paid during regular session as provided by law. Requires Governor, within first five days of each regular session, submit to Legislature budget for next fiscal year instead of next biennium as now required; in other respects continues existing provisions of section 34 relating to State budgets.

YES	
NO	

(For full text of measure, see page 2, Part II)

Argument in Favor of Senate Constitutional Amendment No. 7

After years of experience in the California State Legislature, it is the firm conviction of the undersigned, and of other members of the Legislature who voted for this constitutional amendment, that the California State Legislature should meet in regular session every year, rather than once in two years as now provided.

The present restrictive provisions of the State Constitution were adopted in 1879, when California was small. During the 63 years which have elapsed since the existing plan was formulated, economic and social conditions have changed materially. California now has a population of 7,500,000 people, as compared with less than 1,000,000 at that time. As the State has grown, Government has become more complex and far-reaching. The cost has mounted until expenditures for a two-year period now exceed $500,000,000. This does not include millions of

dollars spent by the Federal Government through State agencies. Yet the State continues to operate under an antiquated program which provides for a legislative review of this tremendous public enterprise only once every two years.

The Federal Government, counties, cities, banks, corporations, and large business organizations operate on a yearly basis. Business and industrial leaders throughout the Nation recognize that any attempt to forecast income and expenditures for a period of two years ahead can not be accomplished with any degree of accuracy.

Questions of finance and taxation are matters which affect every citizen and resident in this State. They are of vital importance if State expenditures are to be controlled adequately, and if proper tax adjustments are to be afforded the people of the State. If the Legislature met in annual session, a sound, pay-as-you-go program could be maintained to provide a balanced State budget.

No longer is it possible to solve all of the social problems of unemployment, relief, social welfare, and pensions to the needy aged, blind, and orphans, if these problems are considered by the Legislature only every two years. Since 1925, with only two exceptions, the Legislature has met at least once each year either in regular session, or in special session called by the Governor to consider items of pressing importance. Usually special sessions are highly political, unsatisfactory, and costly. This indicates clearly that there is definite need for annual sessions of the Legislature in order that the economic, social, and business affairs of the State may be adjusted to meet changing conditions and needs.

The present method of considering the pressing problems of State Government and making appropriations to State agencies only once in two years is out-moded. If more efficient and effective control is to be achieved, our State Government must be modernized by placing its operations upon an annual basis.

There is nothing partisan or political in this measure. It is sound and for the best interests of Government in California. We urge that you go to the polls and VOTE YES.

ROBERT W. KENNY,
Senator, Thirty-eighth District.
EDWARD H. TICKLE,
Senator, Twenty-fifth District.

Argument Against Senate Constitutional Amendment No. 7

This proposed Constitutional Amendment No. 7 is even worse than the same proposal by the same author defeated by the people at the last general election. It seeks to do in different language what the people very definitely said two years ago they did not want.

It requires the Legislature to meet every year but limits the sessions to 60 days with absolutely no provision for any extension of that time no matter how great the emergency or how urgent the need for legislation not yet passed when the deadline arrives.

It would mean a budget fight every year which, judging from recent sessions, would consume all of the 60 days.

It would do away with the present 30-day legislative recess during which the people can, at least, learn what bills have been introduced vitally affecting their welfare and plan to express their protest or approval when the Legislature reconvenes. Under this proposal, a most vicious bill could be introduced and finally passed in 16 days without the people most vitally affected by it knowing it had been introduced, much less having time to organize a protest against it. On the other hand, there would not be sufficient time to get any important constructive legislation, in the interest of the people, through both houses of the Legislature. Only the large rich special interests with unlimited money to employ high-powered lobbyists could get their bills through, while the rank and file of the people would be left holding the bag.

It would change the meeting date to the first Monday in March when farmers, workers, and people generally are too busy with Spring work to know what is going on in the Legislature.

It would double the disturbance to business and labor due to the uncertainty of acts of the lawmakers, and double the cost to the taxpayers without any resultant benefit.

Look out for the joker in the last line of this proposed Constitutional Amendment: "The Legislature * * * may enact additional provisions not inconsistent herewith." Under that broad language, how do we know how far some future Legislature might go in a dangerous usurpation of power?

It would be a 34 years' step backward into the realm of political bossism and special interest control. Since my first session in the Senate in 1927, many such regressive measures have been defeated by the people. What we need in California is a Legislature more responsive to the voice of the people rather than one wherein that voice could never be heard. Remember, the first step of a dictator is to abolish or make impotent the people's Legislature!

This measure does violence to our democratic form of representative government and endangers those precious rights which we are now preparing, if necessary, to lay down our lives to defend. It should be snowed under so deeply this time that it will never again raise its ugly head!

To protect yourself from a special interest controlled, hamstrung, and entirely impotent Legislature, vote "NO."

J. C. GARRISON,
Senator, Twenty-second District,
Stanislaus County.

3	**BASIC SCIENCE ACT. Initiative.** Creates Board of Examiners in basic sciences (naming five sciences) comprising five members with prescribed qualifications appointed by Governor. Requires persons obtain basic science certificate from said Board after written examination before applying to Medical, Dental, Osteopathic or Chiropractic Boards, or other governmental authority, for license to practice healing art (defining same) or any phase thereof. Exempts various professions, present licensees and persons treating sick by prayer in practice of any well-recognized religion. Prescribes examination fees, penalties for violations and disposition of fines, requiring proceeds therefrom used for administering Act. Declares existing statutes not repealed.	YES NO

(For full text of measure, see page 3, Part II)

Argument in Favor of Initiative Proposition No. 3

The object of Proposition No. 3, the Basic Science Initiative, is to provide a means of insuring that all candidates seeking the right to care for sick and injured people in California shall first possess a reasonable knowledge of the sciences fundamental to the healing art.

When Proposition No. 3 becomes law, all applicants for a license to practice the healing art must first pass examinations in five basic sciences—Anatomy, Physiology, Biochemistry, Bacteriology and Pathology. This examination is for the purpose of making a reasonable test as to whether the person so examined has some knowledge of the elementary principles of the basic sciences, which underlie the healing art.

The Basic Science examinations will be conducted by educators. The Board of Examiners will consist of five persons appointed by the Governor. All appointees shall be selected because of their knowledge of the Basic Sciences. Each appointee shall be and remain an associate professor or full professor in one or more of the Basic Sciences at a university or college in this State, of equal or higher rank than a State college, or an active full time member of the faculty in one or more of the Basic Sciences in a State college.

Only one member of the Board may be appointed from any one university, State college or other institution.

NO MEMBER OF THE BOARD SHALL BE ACTIVELY ENGAGED IN THE PRACTICE OF THE HEALING ART OR ANY BRANCH THEREOF.

The Board of Examiners in the Basic Sciences will be self-sustaining. There will be no cost to the taxpayers of California.

Present practitioners holding medical, dental, osteopathic or chiropractic licenses are exempt from the provisions of Proposition No. 3. Other exemptions include pharmacists, nurses, dental hygienists, optometrists, barbers, cosmetologists. Persons who treat the sick by prayer in practicing the religion of any well-recognized religious sect or organization are specifically exempt.

Sixteen States and the District of Columbia now have Basic Science Acts, to insure their sick and injured citizens of treatment by healers who have an elementary knowledge of the fundamental sciences relating to the human body. California is the only Pacific coast State that does not now have a Basic Science Act.

We wish particularly to emphasize the fact that the Basic Science Act will in no way affect the systems of healing now legally recognized in California. None of the rights or privileges of persons now legally engaged in practice will be disturbed. The people of California will continue to be free to select any legally licensed healer or system of healing. They will have the assurance, however, that the State of California guarantees that future licensees of the healing arts have an elementary knowledge of Anatomy, Physiology, Biochemistry, Bacteriology and Pathology. Every voter should want this protection for himself and his loved ones in case of illness or injury.

Vote "YES" on Proposition No. 3 and raise California's basic educational requirements in the healing arts to the level of other progressive States.

DR. RAY LYMAN WILBUR,
Chancellor, Stanford University.

RUFUS B. VON KLEINSMID,
President, University of Southern California.

TULLY C. KNOLES,
President, College of the Pacific.

Argument Against Initiative Proposition No. 3

There exist in California four boards which regulate those who practice the healing professions. The proposed Basic Science Act is an attempt to create another unnecessary board. The Basic Science law was prepared by a minority group, who desire to exercise bureaucratic and monopolistic control over existing

boards. It does not propose to dispense with any of the present boards. The functions of the new board will overlap the existing boards.

The laws of California require applicants who desire to practice the healing professions to have a knowledge of, and pass an examination in the basic and necessary science subjects before they can be licensed. Under the present laws, existing boards examine and license their respective groups. The proposed act does not dispense with this procedure, but provides that the new board give an examination in the basic subjects. There is no reason why applicants should be required to take additional and duplicate examinations before another board in substantially the same subjects.

The act provides that the sum of $5,000 shall be appropriated from the General Fund of California to carry out the purposes of the act. The taxpayers of California are overburdened with terrific expenses of maintaining many boards and commissions which now unnecessarily interfere with the welfare and independence of the people. The people of California should not be required to pay the expense of subsidizing a new and unnecessary luxury. We should not spend money on foolish governmental experiments when we are engaged in a life or death struggle for the preservation of human rights which the act is designed to destroy.

Applicants are required to pay an examination fee before they take examinations to be licensed. Under proposed act, students will have to pay a new and additional fee before they can take the examination now provided for.

The act is presented under the guise of hi-' education. This argument is used to deceiv voters. The facts are that the basic subjects, .. defined in the act, are not materially different from the basic subjects now required of all prospective members of the healing professions. As a necessary curriculum for all the healing arts, the one proposed in the act is absurd. It was devised by a few individuals who are utterly ignorant of educational problems and who are imbued with oligarchical and bureaucratic ambitions. Their desire is not to raise the educational standards of the medical professions, but to obtain control over all the boards which the people of California have created for the purpose of regulating the healing arts.

The act is dangerous and strikes at the heart of democratic government. There are too many boards, bureaus and commissions in California now. The proposed act encourages bureaucratic trend and unrestricted control over the medical professions.

You are respectfully urged to vote "No" on Proposition No. 3.

PUBLIC SCHOOL PROTECTIVE LEAGUE,
By EMILY W. GREGORY,
Executive Secretary.

4 **PERSONAL INCOME TAX LAWS.** Initiative Constitutional Amendment. Amends Constitution, Article XIII, section 11. Declares no law imposing income tax on natural persons, or their estates or trusts shall be valid unless approved by majority of voters after initiative proceedings therefor or after submission thereto at next general election following its passage by two-thirds of all members of each House of Legislature. Repeals 1935 Personal Income Tax Act, Chapter 329, Statutes 1935, and similar personal income tax laws enacted in manner inconsistent therewith, preserving liability for accrued taxes.	YES	
	NO	

(For full text of measure, see page 7, Part II)

Argument in Favor of Initiative Proposition No. 4

Why should you pay an unnecessary tax?

The Treasury at Sacramento is bulging with an enormous surplus, increasing at the rate of approximately $80,000,000.00 each year. This surplus is made up, in part, by State Personal Income Taxes paid out of their pockets by hundreds of thousands of people throughout this State.

Payments of such taxes are deducted in computing Federal Income Taxes to the disadvantage of our Federal Government in the conduct of the war.

In this way, the State Personal Income Tax operates to divert large sums of money (these losses amount to millions of dollars) from the Federal Government to the State Government. This diversion of funds actually takes money away from the war effort of the Federal Government and piles up that money in a useless surplus in the State Treasury.

This occurs at a time of great crisis, when the Federal Government desperately needs money with which to carry on the war.

A "Yes" vote on Proposition No. 4 will repeal the State Personal Income Tax and stop this drain upon the Federal Government.

Repeal will not, can not, affect in any way, the taxes paid by Corporations.

Official Sacramento figures admit the State Personal Income Tax is being paid by nearly one-third (31.5%) more California people in 1942 than in 1941.

Proposition No. 4 is supported by workers, home owners, housewives, farmers, business -

professional men and women. Organized labor, through official action by the California State Federation of Labor, has indorsed repeal of the State Personal Income Tax by asking its members to vote "Yes" on Proposition No. 4.

Repeal of the State Personal Income Tax will, of course, increase the ability of every man and woman to meet the huge and growing Federal war taxes, which are fast reaching down to even the lowest income brackets.

It is good common sense to prepare ourselves to meet these essential taxes by a repeal of the unnecessary State Personal Income Tax.

Repeal also will increase the ability of the people to meet the higher living costs and to have something left over with which to buy War Bonds and Stamps: wage deductions already are being made for this purpose.

All of us are proud to share in any sacrifice for America. All of us pay taxes to Washington because those tax dollars are weapons of war.

The State Personal Income Tax diverts money from war uses at Washington and only adds to the huge, unnecessary surplus piling up at Sacramento. A "Yes" vote on Proposition No. 4 will end this.

The undersigned are honored by official appointment, under provisions of the State Constitution, to present this argument to the voters and to urge you to repeal this diverting, unnecessary, and duplicating State Personal Income Tax by voting "Yes" on Proposition No 4 on November 3, 1942.

LESLIE E. BURKS,
Executive Secretary, San Francisco Real Estate Board.

ISIDORE B. DOCKWEILER.

ZACK FARMER,
Municipal Airport Commissioner.

MRS. GERTRUDE H. ROUNSAVELLE,
Parent-Teachers Association Leader and Educator.

DONALD J. WILLSON,
Vice President, California Fruit Exchange.

Argument Against Initiative Proposition No. 4

Vote "NO" on Proposition No. 4 which is a vicious initiative constitutional amendment repealing *the State net income tax* and restricting the State's power to tax in accordance with ability to pay.

Realize that this is a destructive proposal to amend the Constitution for the benefit of 8 per cent of the entire population of California. Do not be confused and think that this measure repeals the Federal income tax—the tax that is hitting you hard now. No. 4 repeals only *the State income tax*, 50 per cent of which is paid by less than 1 per cent of the people, namely, those with big incomes.

The State income tax which No. 4 would repeal is no hardship. You pay no tax unless you have a reasonable living income—that is unless your *net* income is more than $2,500 if married and $1,000 if single—and then the tax rate is low. Furthermore you are allowed $400 deduction for each dependent. Also, the rate is but 1 per cent until you exceed $7,500 net income.

Sponsors of this measure talk about the advisability of reducing State taxes because, for the first time in a dozen years, the State is now on a sound financial basis. But that is no argument in behalf of this proposition. If tax reductions are advisable, this should not be done by a Constitutional amendment for the benefit of 8 per cent of the people, but by legislation revising all taxes downward, in the interest of equality, including the sales tax, which falls heaviest on the worker, farmer, on the poor, and on the masses of the people with low incomes.

A tax study committee consisting of representatives of many statewide organizations is now trying to determine what changes, if any, might be made in the tax structure of the local, State and Federal governments in the interest of fairness to all taxpayers. The conclusions of this group will be submitted to the Legislature. The voters should bear in mind that the Legislature is *now* empowered to repeal or amend the Income Tax Law. That is the way to determine what changes should be made rather than by a few self-appointed advocates of repeal of any tax.

The Legislature exempted intangible personal property (stocks, bonds, etc.) from local taxes in 1935, when it adopted the income tax, under which this source of taxation could be reached. If the income tax is repealed and prohibited, as this proposition would do, the wealthy owners of these intangibles would be exempted from such taxation, and the burden would be shifted to the 92 per cent of the people who do not now pay income taxes.

DO NOT ALLOW 1/25 OF 1% OF THE PEOPLE, WHO PAY 50% OF THE STATE INCOME TAX, MISLEAD YOU.

VOTE "NO" ON PROPOSITION NO. 4.

CHRIS N. JESPERSEN,
Senator, Twenty-ninth District.

JOHN F. SHELLEY,
Senator, Fourteenth District.

J. C. GARRISON,
Senator, Twenty-second District.

GEORGE SEHLMEYER,
Master, California State Grange.

RAY B. WISER,
President, California Farm Bureau Federation.

VON T. ELLSWORTH,
Director of Research Department and Legislative Representative, California Farm Bureau Federation.

HELEN GAHAGAN.

ROY CLOUD,
State Executive Secretary, California Teachers Association.

5	**COMPENSATION OF LEGISLATIVE MEMBERS INCREASED. MILEAGE MAXIMUM FIXED. Assembly Constitutional Amendment 2.** Amends Constitution, Article IV, section 23. Legislative members to receive $200 each for each month of term for which elected, payable monthly in even-numbered years, and during regular legislative session in odd-numbered years as may be provided by law; and mileage to be fixed by law not to exceed five cents per mile.	YES NO

(For full text of measure, see page 7, Part II)

Argument in Favor of Assembly Constitutional Amendment No. 2

State Senators and Assemblymen receive one hundred ($100) dollars per month during their term of office as compensation for their legislative services. In addition, they are allowed five (.05) cents per mile as mileage from their various places of residence to Sacramento. This allowance is made only twice during the regular session.

The purpose of proposition number 5 is to fix the compensation of the members of the Legislature at two hundred ($200) dollars per month. The mileage allowance would remain unchanged.

The present salary of one hundred ($100) dollars per month for legislators was fixed by vote of the people nearly 20 years ago. At that time a session of the Legislature every two years was sufficient. The sessions were short. From January 1, 1920, to January 1, 1931, only three days were required for special sessions.

Since that time there has been a great increase in the population of the State and its problems have become more numerous and complex. The depression period brought new and difficult problems of relief and taxation which required that the Legislature be reconvened in extraordinary sessions at frequent intervals. Regular sessions have increased in length. The regular sessions of 1933, 1935, 1937, 1939 and 1941 have been the longest in the history of the State. Beginning in 1934 there have been extraordinary sessions during every year when the Legislature was not meeting in regular session. In 1940 it was necessary to call no less than five special sessions of the Legislature. Some of these special sessions lasted as long as 40 days. Others were of shorter duration.

The functions of the Legislature are of the greatest importance to the people of the State. It is the very heart of our American democracy. It makes the laws, controls the finances of the State Government, levies the taxes. It is vital to the welfare of the State that good men be induced to accept the burdens and responsibilities of public office. This can not be done if they are to be denied reasonable compensation.

The members of the Legislature receive no added compensation for their services at special sessions, except mileage. This is true, regardless of the number of special sessions called, or the extent of their duration. Nor is all the pay that they now receive "compensation." Most of it is used up by the high cost of living away from home, since much more must be used for this purpose now than was the case when the present law was adopted. In addition, many legislators sacrifice their own business interests at home in order to serve the public.

The result is that experienced legislators now feel that they can not afford to remain in the service of the State, and under present conditions, better qualified men are not encouraged to seek election. In the interest of better Government therefore, you are respectfully asked to vote "Yes" on proposition number 5.

BYRL R. SALSMAN,
Member of the Assembly, Thirtieth District.

GARDINER JOHNSON,
Member of the Assembly, Nineteenth District.

Argument Against Assembly Constitutional Amendment No. 2

Proposition No. 5 is one which will arouse no great enthusiasm among California voters at a time like the present. It proposes to double the salaries of legislators, raising them from $2,400 to $4,800 for each biennial session. The proposal is too much like pensions for Congressmen which was repealed following the "bundles for Congressmen" campaign inspired by an aroused public opinion against the measure.

The average compensation for legislators in the 48 States is almost exactly $500 per biennium as against $2,400 we already pay in California. New York is the only State with a constitutionally fixed legislative salary larger than that of California. It should be noted that New York is but one of three States which have annual sessions and that the pay per session is but $2,500. Doubling of the salary for legislators in California will not accomplish one of the claimed objectives of getting better qualified men to seek election to the Legislature, for pay increases have not done this in the past. This is merely a scheme to collect $100 more per month from the public treasury.

There is no real need, as claimed by those advocating this proposal, for frequent and longer sessions of the Legislature if the legislators would stop dillydallying when in session. It is well known to all that in the past our legislato-

have dillydallied and wasted time both in regular and special sessions, and special sessions have been adjourned without accomplishing the purposes for which called. Indeed, many of our legislators in a recent session deliberately obstructed measures designed to protect and safeguard our State and its citizens in time of emergency. To pay $100 per month more would be like rewarding them for their dilatory and costly handling of important, even vital, matters. Then there are too many legislators who use membership in the Legislature as a means of creating and building up a law practice or as a stepping-stone to well-paid positions with private interests. What we need is a Legislature with a better balance—where we have more business men and women, more farmers, more workers and fewer lawyers. It is entirely probable that a doubled salary would merely attract an additional element to whom money is the prime consideration.

No State in recent years has a better record for progressive legislation than Oregon, and Oregon pays to its legislators the absurdly low salary of $120 for the two-year period—just one-twentieth of what California now pays to its legislators and one-fortieth of what is being asked in this proposal. Accordingly, California had better leave well enough alone and vote "no" on this proposed amendment.

L. A. IRELAND,
882 Portal Avenue, Oakland, California.

BOARD OF FORESTRY ESTABLISHED. Senate Constitutional Amendment 6. Adds Article XXV to Constitution. Creates Board of Forestry of seven members, appointed by Governor with consent of Senate, to represent State's interest in State forests and Federal land matters pertaining to forestry, and determine policy of Division of Forestry, which must prepare plan to reduce losses from forest fires, insect pests and forest diseases, provide fire protection and determine best use of uncultivated wild lands. Creates non-civil service office of State Forester as Chief of Division of Forestry. Transfers funds to support of new Board and Division of Forestry.	YES	
6	NO	

(For full text of measure, see page 8, Part II)

Argument in Favor of Senate Constitutional Amendment No. 6

This amendment is designed to reorganize the State Department of Forestry and represents the result of 10 years of study by public-spirited persons who are interested in the preservation and proper use of our forests.

It provides for a State Board of Forestry consisting of seven members to be appointed by the Governor with the advice and consent of the Senate, who would serve for seven years, their terms of office being staggered so that no administration could disrupt the continuity of the program which the board might develop. This is very important when we consider that the board now holds office at the pleasure of the Governor and that in the past nearly every one, for political reasons, has found occasion to change the personnel of the board, thus making it impossible to formulate and put into effect a comprehensive long-time policy. As a result California lags far behind other States in forestry management and preservation in spite of the fact that we possess some of the world's most valuable forests.

Two of the board members would represent the timber industry, one agriculture and the beneficial use of water, one the live stock business, one recreational use including fish and game, one the profession of forestry, and one chosen at large.

It contemplates the preparation and administration of an adequate program of forestry management to include protection and development of our forestry resources, the range lands within and bordering forested areas, with due consideration to the protection of valley farm lands against fire; the preservation of water resources in so far as they are affected by our forests; the protection and preservation of the wild life and recreational values of our forested areas.

It further provides that the board shall appoint a State Forester who shall be the administrator of the State Board of Forestry. All employees of the board, with the exception of the State Forester, are to have civil service status. We believe it would be bad governmental policy to place the State Forester under civil service as he would then become independent of and superior to the board in that he could refuse to follow their direction, thereby nullifying their program.

It provides also that the board shall cooperate with all existing agencies for fire suppression and prevention which will result in improving fire protection for the entire State.

In almost every walk of life we are dependent upon this valuable and necessary resource and a more constructive program than has heretofore existed should be developed. We believe the adoption of this amendment will do much toward the conservation of our forests, grazing lands, fire protection, preservation of water resources, wild life and recreational values of our

forested areas, as well as divorce the forestry management from politics.

We ask your favorable vote.

G. M. BIGGAR,
Senator, Fourth District.

R. R. CUNNINGHAM,
Senator, Twenty-seventh District.

Argument Against Senate Constitutional Amendment No. 6

This proposed amendment to the State Constitution has as its only purpose the insertion of the OPENING WEDGE in an attempt to ultimately destroy the State's civil service system. This amendment contains over one thousand words, but none of them are necessary to accomplish any alleged purpose except to assist in the reestablishment of the SPOILS SYSTEM in California.

Most of the words of this amendment relate to the establishment of a NEW INDEPENDENT BOARD of seven members to administer the State's forestry laws, but a constitutional amendment is not necessary to accomplish that purpose. At the present time, such laws are administered by one person as a part of the State's well-established departmental system of government. This proposed change in the State's organic law, which, we repeat, is not necessary to accomplish this purpose, will CEMENT INTO THE CONSTITUTION ANOTHER INDEPENDENT BOARD, and once again saddle the TAXPAYERS of this State indefinitely with some more entirely unnecessary expenses of government.

The purpose *which is* accomplished by this amendment to the State Constitution, and which could only be so accomplished, is that of removing from the State civil service the position of State Forester. This position was made part of the civil service system in 1934 when the people by the initiative process added Article XXIV to the State Constitution, by the largest affirmative vote ever accorded a proposition submitted to the voters, establishing the present State civil service system. All elective and appointive positions in the State service which are so-called "policy forming positions" are now excluded from civil service. The position of State Forester is not such a position, but is no different than the hundreds of other technical and professional positions in the State service which derive their greatest value to the State from the fact that, through the guarantee of the State Constitution, they are filled in accordance with, and protected from patronage politics by the operation of the MERIT SYSTEM.

We repeat, this proposal, if successful, is but the OPENING WEDGE for the elimination from the State's civil service system of all of the technical and professional positions in the State service, including engineers, auditors, doctors and lawyers.

This proposal, in addition to expressly exempting the position of State Forester from civil service, throws a serious doubt on the civil service status of all of the employees of the present Division of Forestry. First, there is no provision continuing the present employees under the new independent board; and, second, the last paragraph of Section 3 provides that the employees shall be *appointed* "in accordance with civil service", but does not so provide in relation to the *prescribing of their duties and the fixing of their salaries.* Under the language of this paragraph, the employees would have CIVIL SERVICE IN NAME ONLY.

VOTE NO ON SENATE CONSTITUTIONAL AMENDMENT NO. 6 AND PRESERVE THE MERIT SYSTEM IN CALIFORNIA

JOHN M. PFIFFNER,
President,
California Merit System League,
Los Angeles, California.

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7 **TAXATION OF INSURANCE COMPANIES.** **Assembly Constitutional Amendment 53.** Adds section 14⅘ to Article XIII, Constitution. Continues through 1942 present taxation provisions affecting insurers. Thereafter taxes insurers, defining same, on annual basis, at rates, and subject to deductions, therein specified, prescribing specifically basis for title insurers. Specifies allowable realty tax deductions through 1946, thereafter prohibiting deductions for taxes paid on real estate owned unless principal office located thereon. Reduces tax rate .05 percent yearly through 1946, prescribing rate of 2.35 percent of annual tax basis thereafter but empowering Legislature to change rate.

YES	
NO	

(For full text of measure, see page 9, Part II)

Argument in Favor of Assembly Constitutional Amendment No. 53

This amendment was drawn by the Insurance Commissioner with the approval of the Board of Equalization, the Department of Finance and the Attorney General to correct certain inequalities in State insurance taxes, and to stabilize tax receipts during periods of normal business and depressions. It passed the Legislature with but one dissenting vote.

Under the present Constitution all insurers except ocean marine insurers now pay taxes to the State on the basis of a percentage of their

miums on California business. The tax rate is fixed by the Legislature. From this State premium insurers are now authorized to deduct all taxes which they have paid to any city, county or district upon real estate they own in this State.

Insurers are not permitted by law (with minor exceptions) to own real estate permanently except properties used in transacting their business. The law provides for temporary ownership of other real estate acquired through surrender or foreclosure of loans. The period allowable for holding such property is limited to five years unless extended by the Insurance Commissioner. During periods of business depression such as the period following the year 1929, insurers through surrender or foreclosure of property loans acquired much more real estate than under normal conditions.

As a result of this condition, deductions from the State premium taxes by reason of local real estate taxes paid increased substantially, thus lowering the revenue to the State at a time when revenue was sorely needed. As many classes of insurers did not invest in loans on real estate, a further inequality arose between insurers because those that did not make real estate loans paid more taxes proportionately to the State than those that did own real estate.

Aside from real estate owned and used in the transaction of its business, an insurer coming into possession of other real estate, such as dwellings, apartment houses and mercantile buildings, inadvertently receives preferential treatment over citizens who own and operate similar properties in that the insurer's expense of operation of such properties is lessened by the credit against State taxes in the amount of local real estate taxes thereon.

This amendment was drawn to correct these inequalities in the tax laws. On the basis of 1940 tax returns, over a period of five years it eliminates by steps real estate tax deductions (excepting taxes on properties used in the transaction of the insurance business), and adjusts proportionately the rate of tax during that period.

Insurers are still required to pay city and county and district taxes on real estate owned, so that no loss of revenue to any city or county or district in which such real estate is located can arise by reason of this amendment.

Your favorable vote on this amendment will help eliminate present inequalities in taxes on insurers and stabilize the State's income from this source.

VOTE "YES."

RICHARD H. McCOLLISTER,
Member of the Assembly,
Seventh District.

THOMAS A. MALONEY,
Member of the Assembly,
Twentieth District.

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8 **OF FISH AND GAME FUNDS RESTRICTED. Senate Constitutional Amendment 1.** Adds section 25g to Article IV of Constitution. Requires all moneys collected under any State law relating to protection, conservation, propagation or preservation of fish, game, mollusks or crustaceans, and fines and forfeitures imposed for violation of such laws, be used exclusively for such purposes. Empowers Legislature to provide for division of money derived from such fines and forfeitures.

YES	
NO	

(For full text of measure, see page 11, Part II)

Argument in Favor of Senate Constitutional Amendment No. 1

Senate Constitutional Amendment No. 1 is a very simple amendment. It simply freezes all moneys collected by the Fish and Game Commission from all sources into the Fish and Game Fund to be used solely by said commission for the propagation of fish and game for law enforcement in the protection of fish and game and all other matters pertaining to the lawful and legitimate expenses of the commission. It also provides that the Legislature may legislate for the division of moneys collected from fines and forfeitures in connection with law enforcement of the Fish and Game Code. The necessity of this amendment to the Constitution arises from the practice of the State in borrowing money from special funds and paying it back in a very unsatisfactory and uncertain manner.

F. L. GORDON,
Senator, Eleventh District.

Argument in Favor of Senate Constitutional Amendment No. 1

The sportsmen of the State of California were unanimous in asking me for Senate Constitutional Amendment No. 1, and all sportsmen feel that the money that they put up in the way of hunting and fishing licenses should be used for the purpose for which the money was collected and none other, namely for the preservation of fish and game in the State of California. With the ever increasing population in the State of California and the ever increasing number of sportsmen, it is necessary to increase our game birds the same as other States. This can not be done unless the money that is put up by the sportsmen is held intact and spent only for the purpose for which it was intended. Senate Constitutional Amendment No. 1 is no different in plan to that which the people voted on the Gas Tax Amendment.

D. JACK METZGER,
Senator, Eighth District.

9	**COMPENSATION OF SPECIFIED STATE OFFICERS MAY BE CHANGED DURING TERM OF OFFICE. Assembly Constitutional Amendment 61.** Adds section 22 to Article V of Constitution. Compensation of Superintendent of Public Instruction, State Treasurer, State Controller and Secretary of State may be diminished or increased by Legislature during term of office.	YES NO

(For full text of measure, see page 12, Part II)

Argument in Favor of Assembly Constitutional Amendment No. 61

Assembly Constitutional Amendment No. 61 authorizes the State Legislature to fix the salaries of the Constitutional Officers according to their responsibilities.

Rapidly-changing conditions require adjustment of governmental functions to better serve the taxpayers.

The State Legislature periodically finds it necessary to delegate additional and heavy responsibilities to a Constitutional Officer or to transfer duties from one to another.

The Legislature now is powerless to make the necessary adjustments in compensation to meet these changing conditions.

This amendment gives the people's elected representatives the authority to raise, lower or fix these salaries instead of freezing them in the Constitution.

ALFRED W. ROBERTSON,
Member of the Assembly,
Thirty-ninth District.

FRANK J. WATERS,
Member of the Assembly,
Fifty-eighth District.

10	**REORGANIZATION OF BUILDING AND LOAN ASSOCIATIONS. Initiative to Legislature.** Adds Article XVII to Building and Loan Association Act. Authorizes plans for rehabilitation, readjustment, reorganization, consolidation or merger of building and loan associations, and defines classes of associations affected. Requires consents, specifies procedure, and designates securities permitted to be issued. Requires plans be fair, equitable, non-discriminatory and feasible, and approved by superior court after notice and hearing; declares effect of such approval, and requires undertaking on appeal therefrom. Specifies rights and duties of Building and Loan Commissioner. Declares Legislature may amend or repeal Act.	YES NO

(For full text of measure, see page 12, Part II)

Argument in Favor of Initiative Proposition No. 10

Vote YES on this measure. It provides a practical, inexpensive method by which Pacific States Savings and Loan Company may be reorganized. This company has over 40,000 investors, and its assets, at the time of seizure, represented 23½ per cent of the total assets of all California State building and loan associations.

At present there is no statute permitting reorganization of California building-loan associations. Federal laws provide for reorganization of most corporations, but not insurance companies or building-loan associations. California has a statute for insurance companies, but not for building-loan associations.

This measure requires the following steps for reorganization: (1) petition to the Superior Court submitting the proposed plan of reorganization; (2) thirty days' notice of the court hearing on such plan; and (3) public hearing before the court, at which any interested investor may support or oppose the plan or propose modifications.

No plan becomes operative unless approved by the court. No plan may be approved unless the court is satisfied that the plan is fair, equitable and feasible, and does not discriminate in favor of any class of investors or creditors. Moreover, no plan may be approved unless it receives majority consent from stockholders and shareholders, and two-thirds consent from investment certificate holders and creditors, except that if due notice has been given investment certificate holders the plan may be approved if (a) dissents are less than one-third and also (b) the actual consents aggregate at least two times the dissents. By this provision, investors who do not express any opinion are not counted either for or against the plan—the same as a person who fails to vote at an election.

The measure provides for amendment o repeal by the Legislature. Consequently, Legislature may consider changes submitted

the California Building-Loan League which will make the measure more suitable for the whole industry, and may amend the measure accordingly. This is important, since the measure necessarily contains provisions on which persons may reasonably differ.

The 1941 Legislature, by large majorities in the Senate and the Assembly, passed three building and loan reorganization bills. Unfortunately, these bills were not signed by Governor Olson. On the first bill, vetoed while the Legislature was in session, sufficient votes were obtained in the Senate to override the veto, but not in the Assembly. If Governor Olson is reelected, he may again block any building-loan reorganization measure, regardless of the wishes of a majority of the members of both houses of the Legislature. If so, reorganization of Pacific States Savings and Loan Company will be further delayed, to the detriment of its 40,000 certificate holders.

To end costly litigation; to permit reorganization with the approval of the court and the interested investors; and to permit an early distribution of income and principal to Pacific States' investors, vote YES.

ROBERT S. ODELL,
President, Pacific States Savings and Loan Company.

DONZEL STONEY,
Vice President, Title Insurance and Guaranty Company.

Argument Against Initiative Proposition No. 10

This measure should be defeated for the following reasons:

1. It is special legislation, designed solely for the interests of a small group.
2. It is full of "jokers," enabling insiders to control a reorganization for their own benefit, to the detriment of the certificate holders.
3. In determining whether two-thirds of the certificate holders have approved a plan of reorganization, if the actual consenters hold certificates amounting to twice the value of those held by the actual dissenters, then *all who neglect to vote, or who remain undecided, will be counted as "yes" votes.*
4. It gives stockholders an absolute veto on any reorganization which certificate holders might want, even when the stockholders have no remaining equity in an insolvent association.
5. It permits conversion of a financial institution, operating under governmental supervision, to an unsupervised general corporation.
6. Certificate holders, now creditors, could be switched into stockholders against their will, and could get their money out only by selling their stock, undoubtedly at heavy discounts, to speculators or to the corporation itself.
7. None of the safeguards in the Corporate Securities Act would apply to securities issued in such a reorganization.
8. The promoters of a reorganization could solicit fees and contributions from investors without limit, restraint or supervision.
9. The "public emergency" given as the excuse for its passage simply doesn't exist; the building and loan associations now are in better condition than they have been for many years; they have no need or desire for this measure, and are opposing it.
10. This same measure has already been rejected by the Legislature.

HARLEY HISE,
Building and Loan Commissioner.

BRODIE AHLPORT,
Special Counsel to the Building and Loan Commissioner.

Argument Against Initiative Proposition No. 10

The adoption of the initiative measure on reorganization of building and loan associations is opposed for the following detailed reasons:

1. The description of associations to which the measure might apply includes associations that might be perfectly solvent and in no possible need of reorganization. Under a similar provision, formerly in the law, unscrupulous persons for their own selfish gain embarrassed solvent concerns to the real disadvantage of the public whose savings were invested.

2. The measure makes possible the adoption of a plan of reorganization by an almost negligible minority by providing that all who do not vote in writing are deemed to have consented to the plan.

3. No assurance is given that the savings of the investing public, after reorganization, will continue to have the protecting benefit of supervision by a state or government official or board. It should not be possible to encourage the investment of savings with the assurance of strict supervision and then take from such savings that protection by a reorganization.

4. There is at present no evident need for such a reorganization measure to be adopted. The statements referring to the existence of an emergency do not describe present conditions and therefore create a false impression.

GEO. B. CAMPBELL,
Chairman, Legislative Committee of the California Savings and Loan League.

11	**BOXING AND WRESTLING MATCHES REGULATED. Senate Constitutional Amendment 13.** Amends Constitution, Article IV, section 25¾. Legislature may regulate wrestling and boxing matches. Limits boxing matches to twelve three-minute rounds, except championship matches may be fifteen rounds if first approved by State Athletic Commission. All moneys derived from license fees, taxes or other means, except legislative appropriations therefrom for administrative costs of Athletic Commission, applied to homes for care of war veterans. Exempts from tax proceeds of matches inuring exclusively to benefit of American Legion or other recognized veterans' organizations. Authorizes Legislature to change Boxing and Wrestling Initiative Act.	YES	
		NO	

(For full text of measure, see page 18, Part II)

Argument in Favor of Senate Constitutional Amendment No. 13

The proposed Senate Constitutional Amendment No. 13, relating to boxing, sparring and wrestling matches or exhibitions, which is shortly to be voted on, is a meritorious one and should receive the "Yes" vote of the people, in our opinion.

The primary purpose of this proposed amendment is to permit championship matches of 15 rounds with the approval of the State Athletic Commission.

At the present time boxing contests of 15 rounds are permitted in various other States, including the State of New York, and championships in boxing are recognized in those States only after 15-round matches.

Obviously, in California, where we have at present a 12-round limit, our champions do not receive uniform recognition throughout the United States but are recognized only in those States where 15 rounds are not required to establish championships.

Boxing is recognized, today particularly, not only as great entertainment but as an excellent general physical conditioner and developer. In the present emergency it is recognized that the art of self defense developed through boxing is of great importance and benefit to the young men in the service.

Another most important element we must recognize today is the increase of juvenile delinquency and the great importance of keeping our youth off the streets and away from the effects of street corners and improper places of amusement and gathering. Since a boxer, to be good, must keep in fine physical condition, the State Athletic Commission has been trying to develop the interest of boys in this sport, and particularly in the amateur phase of it, so as to help both their physique and their morale and to give them some interest that will help develop their character and good morals.

It is also important to remember that with increased interest in the sport of boxing gate receipts will likewise increase correspondingly, which will result in more revenue, which in California goes exclusively to the maintenance of homes for the veterans of the wars of the United States. In the absence of such revenue the State Legislature must provide such necessary funds from the General Fund, thus increasing the taxes.

This amendment also exempts from the payment of the tax any club operated by a duly recognized organization of veterans of any war of United States when none of the revenue is distributed to the benefit of any individual of any such club. Such an organization is the present American Legion, and this will likewise apply to any new similar organizations for our present soldiers which may develop after the war is over.

The logic and reasonableness of such an enactment as this proposed amendment have been certified to by no less a person than our illustrious President of the United States, Franklin D. Roosevelt, when he signed the Act of Congress in December, 1941, authorizing 15 rounds of boxing in Hawaii and Alaska, thus making for uniformity in boxing in the Territories and the United States.

JERRY GIESLER,
Chairman, State Athletic Commission.

EVERETT L. SANDERS,
JULES J. COVEY.

12 **SCHOOL DISTRICTS, FIFTH AND SIXTH CLASS CITIES MAY ACQUIRE STOCK IN MUNICIPAL WATER COMPANIES. Assembly Constitutional Amendment 19.** Amends Constitution, Article IV, section 31c. School districts and cities of fifth or sixth class may acquire and hold capital stock of mutual water companies and corporations for purpose of furnishing water for public municipal or school purposes, with rights, powers, privileges, obligations and liabilities of other holders.	YES	
	NO	

(For full text of measure, see page 19, Part II)

Argument in Favor of Assembly Constitutional Amendment No. 19

At the present time the Constitution of the State of California permits cities of the fifth or sixth class to acquire and hold shares of capital stock of any mutual water company or corporation when such stock is acquired or held solely for the purpose of furnishing a supply of water for public or municipal purposes.

Assembly Constitutional Amendment No. 19 amends this section of the Constitution to allow school districts to also acquire or hold stock in mutual water companies for the sole purpose of furnishing a supply of water for public or school use. A number of school districts in the State of California are in need of this amendment, as they have been greatly handicapped in the past and put to additional expense because of the fact that they have been unable to acquire or hold mutual water company stock. As indicated, the acquiring and holding of such stock by any school district will be limited to the purpose of furnishing a supply of water for public or school purposes.

This amendment passed both houses of the Legislature unanimously and as far as is known, there is no opposition to it.

GERALD C. KEPPLE,
Member of the Assembly, Fiftieth District.

JEANETTE E. DALEY,
Member of the Assembly, Seventy-eighth District.

13 **BOARDS OF EQUALIZATION. Senate Constitutional Amendment 18.** Amends Constitution, Article XIII, section 9. State Board of Equalization to comprise five members, each elected from one of five equalization districts. Eliminates Controller from Board. Specifies counties comprising each district, permitting Legislature by two-thirds vote to redefine districts. Member's term four years; those serving when section becomes operative continue for balance of term, Governor appointing member from fifth district to hold until January, 1947. Reenacts, substantially unchanged, present provisions constituting boards of supervisors equalization boards in their respective counties, but without power to alter property valuation assessed by State Board.	YES	
	NO	

(For full text of measure, see page 20, Part II)

Argument in Favor of Senate Constitutional Amendment No. 18

This amendment adds efficiency to the Board of Equalization, divides the State into districts, giving southern California additional representation and relieves the Controller as an ex officio member.

The State Board of Equalization was established by the 1879 Constitution. It is composed of five members, four elected, and the Controller as an ex officio member. The duties of the Controller are such that he no longer has time to act on the board without neglecting his own office. An elected member should be provided in his place.

The duties of the board when created were few unimportant. Since its creation many additional duties have been added. These new duties include the collection of State revenues and corporation taxes, the enforcement of liquor laws and the equalization of assessments between counties. No other department has the responsibilities, nor is any other department confronted with problems such as confront the board. Notwithstanding these additional duties there has been no geographical changes in the districts since the board was first established in 1879. Since then the population and wealth within the State has shifted so that the Los Angeles district contains more than half the population and wealth within the State, and more than 50 per cent of all problems arise within that district. Notwithstanding these facts, three members of the board come from the north and only one from southern Califor-

nia. Manifestly, such a situation is unfair. The members from the north can not desert their districts to come south and aid in the administration of the Los Angeles district, yet it is humanly impossible for one man to protect the interests and care for the needs of a district so populous and extensive as is the Los Angeles district.

At present the Los Angeles district includes the counties of Los Angeles, Santa Barbara, Ventura, San Bernardino, Orange, Riverside, San Diego and Imperial. This proposal makes Los Angeles County a district by itself and combines San Bernardino, Riverside, Orange, San Diego and Imperial into a new Fifth District. Santa Barbara and Ventura are attached to the First District because there is no physical contact between these counties and the five southern counties. As proposed, the districts will have the following populations:

District No. 5,
(five southern counties) ---------- 746,480,

District No. 4,
(Los Angeles County) ---------- 2,785,643,

District No. 3,
(northern counties) ---------- 415,224,

District No. 2,
(Alameda, Sacramento, and adjacent counties) ---------- 1,563,111,

District No. 1,
(San Francisco and adjacent counties) ---------- 1,224,234

The Fourth and Fifth districts will still contain more than 50 per cent of the population and wealth of the State.

Under this amendment the Legislature has power to redistrict according to population when necessary. The first member from the new Fifth District will be appointed by the incoming Governor February 1, 1943. Thereafter all members will be elected from their respective districts.

This amendment will afford better administration, fairer treatment for Los Angeles and the other southern counties, greater protection to the people as a whole, and a friendlier relation throughout the entire State.

VOTE FOR THE AMENDMENT!!

ROBERT W. KENNY,
Senator, Thirty-eighth District

JOHN F. SHELLEY,
Senator, Fourteenth District.

RALPH E. SWING,
Senator, Thirty-sixth District.

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14 **RATES OF INTEREST ON LOANS AND JUDGMENTS. Assembly Constitutional Amendment 28.** Amends first paragraph of section 22 of Article XX, Constitution. Declares rate of interest on loan or forbearance of any money, goods or things in action, or on accounts after demand, 7 percent per annum, but parties thereto may contract in writing for interest rate not exceeding 10 percent per annum. Declares interest rate on court judgments 5 percent per annum.

YES	
NO	

(For full text of measure, see page 21, Part II)

Argument in Favor of Assembly Constitutional Amendment No. 28

Under the present provisions of our State Constitution when a judgment is rendered against an individual and entered upon the records of the county, that judgment carries 7 per cent interest per annum and continues indefinitely. Many judgments have been carried for from 20 to 30 years and the interest accumulates until it is much larger and in some instances several times more than the original principal of the judgment. These judgments do not outlaw, as do practically all other obligations, after a limited time. They are renewed every five years with added costs, and the only way out for the debtor is to go through bankruptcy in order to begin business again.

The purpose of this new amendment is to reduce the rate of interest on a judgment from 7 per cent per annum to 5 per cent per annum. When the State can borrow money for about one-half of 1 per cent per annum, many counties and districts from 1 to 2 per cent per annum, corporations about 3 per cent per annum, and individuals usually pay about 5 per cent per annum for the use of money, it would seem very unfair to charge one who is so unfortunate as to have a judgment rendered against him such a high rate as 7 per cent per annum indefinitely. So this Constitutional Amendment simply reduces the rate of interest on a judgment, after it is entered upon the records, from 7 per cent to 5 per cent per annum, but it does permit a person to contract to pay a rate of interest not exceeding 10 per cent per annum, which is the present law. In other words this amendment simply provides for the reduction of the rate of interest to be paid by the borrower when he is in such serious trouble that a judgment has been entered against him.

There should be no objection to this amendment, and we sincerely hope it receives a

substantial majority of the votes of the people of this State approving the same.

.ODNEY L. TURNER,
Member of the Assembly, Forty-first District.

DON A. ALLEN,
Member of the Assembly, Sixty-third District.

Argument Against Assembly Constitutional Amendment No. 28

The first, but wrong, impression is that this proposed change in the Constitution is a "poor man's" law. Upon analysis it appears that the disadvantages to the ordinary citizen far outweigh any advantage which might be claimed under such change. You will note that the amendment affects only the *first* paragraph of Article XX, p. 22. Numerous exceptions are recited in the *third* paragraph, which still remains unamended.

The amendment is designed to reduce the interest on judgments from 7 per cent to 5 per cent. Most judgments result from the extension of credit by honest and trusting persons without security. The person extending such credit most often does so in order to supply the wants of some one who, at that time, has no immediate ability to pay. Such transactions are roughly part of the American way of life. They are discouraged by adverse legislation tendency is to force the debtor to deal with money lending firms protected by adequate security and extremely high interest rates. In most transactions where there is inability to pay the full amount of judgment and accumulated interest the judgment creditor substantially reduces the amount to release the debtor. Ask your attorney friends how frequently even the few "pound of flesh" creditors can get full face value. The answer will surprise you.

Another serious consequence of this proposed amendment is that it encourages judgment debtors, or some third party having a contractual responsibility, to appeal cases to the higher courts where judgments are given for personal injuries arising out of negligence of the defendants. Automobile accidents are the most common cause for such judgments. The cunning, powerful judgment debtor, by such interest reduction, would have more incentive to appeal rather than pay judgments and thereby delay the plaintiff months or years in order to "wear" him down to a reduced settlement. The higher the interest rate on judgments the quicker the plaintiff, who often is crippled and without funds, will be compensated.

Practically all of the present high interest rates now being paid come under the exceptions and are not affected to any degree by the proposed amendment. Rates of 2 per cent and 2½ per cent *per month* will still be in effect. Thus, where secured loans are made on furniture and automobiles, the lending firm still receives 24 per cent and 30 per cent per annum on its money and risks little, as it usually has ample security for its payment.

Among others still not restricted by this amendment are building and loan associations, credit unions, pawn brokers, banks and certain nonprofit cooperative agricultural associations. Their fees, bonuses, commissions and discounts still may be fixed by the Legislature.

A "no" vote on this amendment is a vote for equal justice.

FRANKLIN J. POTTER,
Member of the Assembly, Fifty-seventh District.

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15 **SUPREME AND APPELLATE COURT PROCEDURE. Assembly Constitutional Amendment 55.** Amends section 4c, adds sections 4d and 5a, Article VI, Constitution. Empowers Supreme Court to transfer to itself cause pending before District Court of Appeal; to retransfer cause pending before itself to division of District Court of Appeal from which received; and to extend, within prescribed limits, the time for granting or denying a hearing in such cases. Empowers District Courts of Appeal, and appellate department of Superior Court, to certify questions of law to Supreme Court, but permits latter to return same without determination.

YES	
NO	

(For full text of measure, see page 22, Part II)

Argument Against Assembly Constitutional Amendment No. 55 (Submitted by persons appointed to write argument in favor of amendment)

This amendment proposes to change Section 4 of Article VI of the present Constitution dealing with the jurisdiction of the Supreme and appellate courts and to add to Article VI additional sections known as 4d and 5a. The object of the amendment was to expedite appeals. Unfortunately, in Section 4c, the word "retransfer" was inadvertently used instead of the word "transfer." This has raised a doubt in the minds of the bar and the authors of the resolution as to whether it takes from the Supreme Court its present power to transfer cases pending before it to the District Courts of Appeal for decision. It was not intended to have that effect, and probably would not be so con-

strued. But if it should be, it would be nothing short of a tragedy, and instead of expediting appeals would very greatly delay them and throw the entire present appellate machinery out of gear. While the amendment, except for the possible effect of the word "retransfer" would undoubtedly be beneficial, in the opinion of its authors and of the State Bar Association, which sponsored the proposed amendment, the advantages of the amendment are not sufficient to balance the danger arising from even the slight possibility of its being construed as indicated, and it is therefore suggested that it be defeated in order that it may be prop amended at the next session of the Legisl and resubmitted to the people. A "no" vot therefore, recommended.

CHARLES W. LYON,
Member of the Assembly, Fifty-ninth District.

ALFRED W. ROBERTSON,
Member of the Assembly, Thirty-ninth District.

16	**DECISIONS BY ADMINISTRATIVE OFFICERS. Senate Constitutional Amendment 8.** Adds section 1b to Article IV, Constitution. Legislature may empower administrative officers to decide law or facts establishing jurisdiction; forbid court annulling findings supported by substantial evidence; authorize judicial review, prescribing court's jurisdiction, Supreme Court's jurisdiction subject to section 4c, Article IV; only Supreme Court reviewing Railroad Commission's decisions, only appellate court Industrial Accident Commission's decisions. Forbids court annulling decisions of fact, supported by sufficient evidence, by administrative agencies on municipal affairs, when declared final by city or county charter or ordinance thereunder. Like powers in other cities or counties unaffected.	YES	NO

(For full text of measure, see page 23, Part II)

Argument in Favor of Senate Constitutional Amendment No. 8

Administrative officers, boards and commissions make far more decisions affecting people's affairs than do the courts. It is inevitable that they, like all other human agencies, commit errors harmful to persons affected.

All students of Government agree that where it is claimed that an administrative agency has committed an error of law or a prejudicial error of procedure resort should be allowed to a court to decide whether such error has been committed. All agree that the courts should have this amount of control over administrative agencies. But there is a difference of opinion as to how far the courts should be permitted to go in retrying disputes about the facts. It is contended that many boards and commissions, because of their greater experience and expertness in the matters they deal with, are more competent than the courts in ferreting out the facts from conflicting evidence. Who is better fitted to get at the truth? Why should a judge be allowed to substitute his judgment for that of persons more experienced and more expert in the matter? Thus there is a standing controversy as to the proper role of courts in reviewing the decisions of administrative agencies. It is conceded that these agencies are not all alike, that they function in a variety of fields, that they differ in personnel and in degrees of expertness and experience. Consequently the degree of court control proper to one agency may differ from wh is proper to another. This is a problem fo Legislature.

The sole purpose of this proposed consti tional amendment is to give the Legislature power to solve it. The amendment is needed because the State Supreme Court has recently expressed doubts whether the Legislature now has power to determine the relation of the courts to the administrative agencies.

Proposition No. 6 on the ballot in 1940 was intended to give the Legislature the necessary power. It was defeated by a narrow margin chiefly because it did not give the Legislature a free hand but limited court review to the superior or trial courts. Opponents contended that for the more important boards and agencies, especially those having experienced and expert personnel, the only court review should be in the appellate courts, limited to the correction of errors of law and procedure, and that the findings of fact of such boards should be accepted by the courts as final if supported by substantial evidence.

The present amendment was drafted after many conferences. It has the approval of both the advocates and opponents of the 1940 proposal, because it does not attempt to settle the controversy but throws it into the Legislature where it belongs.

It gives the Legislature the same powers, no more and no less, to regulate State administra-

tive agencies and their relations to the courts that Congress has with respect to Federal administrative agencies.

We therefore urge a "Yes" vote on proposition No. 16.

ROBERT W. KENNY,
Senator, Thirty-eighth District.

T. H. DELAP,
Senator, Seventeenth District.

W. P. RICH,
Senator, Tenth District.

Argument Against Senate Constitutional Amendment No. 8

This amendment is dangerous. It gives uncontrolled power to the Legislature by removing protection which we have through our Bill of Rights and other provisions in our Constitution.

The very first words have that effect. They are: *"Nothing in this Constitution"*—that is, neither the Bill of Rights nor anything else—"shall be construed as denying to the Legislature power." Thus the Legislature wants to have all restrictions on it removed at the start!

That power which the Legislature wants is "Power to vest in administrative officers" and bureaus, "authority to decide, in the first instance, *any questions of law or fact* upon which the exercise of any function conferred upon them by law depends." That is, placing officers and bureaus complete, unrestricted, controlled power to decide.

The first sentence—second paragraph—is highly important to us who vote but have no power and must obey. Note these points:

1) "The Legislature is hereby vested with *plenary* power;" that is, *unlimited* power.

2) The next words "unlimited by any provision of this Constitution *except as provided in this section*" remove the control of our Bill of Rights and all other controls because those controls, set forth elsewhere in the Constitution, are not "provided in this section" or saved by it.

3) The words "except as provided in this section" mean nothing. The section neither forbids nor commands the Legislature to do one thing or another. So power here given to the Legislature is unrestricted.

4) The Legislature is given power to prescribe judicial review. It is not commanded or compelled to do so. It may refuse or fail to do so and leave the individual citizen without means of relief from wrongful decisions by these *unelected* "officers, boards, commissions, or agencies."

5) The Legislature *may* (not must) prescribe the "scope of review which the reviewing court may give." That means, when taken with the fact that the Legislature is not commanded to provide for review at all, that the Legislature may flatly provide that there shall be no review. Hence, also, the Legislature may prescribe partial review that is not effective or is practically useless.

6) The Legislature may also provide that any review which it gives, however inadequate, may be "exclusive of any review the courts are now authorized to give." So the Legislature may give an inadequate review *by some other authority than our elected judges and then forbid our courts to give any review.* Thus we citizens can be deprived of that relief which even our courts can now give us against unjust or arbitrary action of these administrative officers and bureaus.

Let us ask ourselves—Why does the Legislature request this tremendous additional power? Legislatures already are powerfully influenced, even dominated, by intrenched minority groups. What a Federal judge said recently in another connection is in point concerning these provisions:

"They smack too much of the political philosophy of subservience of the individual to the state which today threatens the world."

VOTE NO!

A. B. BIANCHI,
DAN HADSELL,
Attorneys,
San Francisco, California.

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17 **STATE TREASURER TRUSTEE OF CERTAIN STATE MONEYS. Senate Constitutional Amendment 15.** Adds section 29 to Article IV, Constitution. Legislature may require State money controlled by State agencies or departments or collected under State authority be held in trust by State Treasurer before deposit in State Treasury by such agency or department as required by law. Excepts moneys controlled or collected by Regents of University of California. Money held in trust may be disbursed by Treasurer on order of agency or department or deposited in banks to same extent as money in State Treasury.

YES	
NO	

(For full text of measure, see page 24, Part II)

Argument in Favor of Senate Constitutional Amendment No. 15

This constitutional amendment is for the purpose of ratifying Section 454.5 of the Political Code (Chapter 900 of the Statutes of 1937) which will permit State agencies to place in trust with the State Treasurer, moneys which they collect during the month, pending determination at the end of each monthly period

whether or not such money is earned by the State. Such money as is earned by the State will then be withdrawn by check from the trust account in the treasury and repaid into the State Treasury as money belonging to the State. The same procedure may be followed in connection with cash revolving funds.

The system is similar to that used by the Federal Government, whereby all money collected by any representative of the Government is deposited in banks to the credit of the United States Treasury and withdrawn on disbursing officers' checks issued directly against the treasury.

The procedure will make no change in the present method of paying claims by the State Controller from appropriations made by law. It affects only money which by law may remain in the custody of a State agency.

While at the present time the State is able to secure very little interest on deposits placed in banks by the State Treasurer, the purpose of securing ratification of Section 454.5 of t' Political Code is to permit at some future (the accumulation in the State Treasury of average daily deposits of between $12,000,000 and $15,000,000 now deposited in the various bank accounts throughout the State upon which the State receives no interest. Should public moneys again be in demand by banks, the procedure ratified by this Constitutional Amendment will enable the Treasurer to deposit in interest bearing accounts from $8,000,000 to $10,000,000 and receive interest thereon.

HERBERT W. SLATER,
Senator, Twelfth District.

THOMAS McCORMACK,
Senator, Fifteenth District.

18	**REAPPORTIONMENT COMMISSION. Assembly Constitutional Amendment 6.** Amends Constitution, Article IV, section 6. Substitutes State Controller in place of Surveyor General as member of the Reapportionment Commission created to reapportion Assembly and Senatorial Districts should Legislature fail to do so following each Federal census. In other respects reenacts present provisions of section 6 relating to such reapportionment.	YES NO

(For full text of measure, see page 25, Part II)

Argument in Favor of Assembly Constitutional Amendment No. 6

Assembly Constitutional Amendment No. 6 was introduced to fill the gap in the State Constitution relative to the Reapportionment Commission of five members that have the power, under our Constitution, to reapportion the State of California, as far as representation is concerned in our State Assembly, State Senate and Congress, if the Legislature fails to act.

Under the present law the commission is composed of the Attorney General, Director of Instruction, Secretary of State, Lieutenant G ernor and the Surveyor General.

The office of Surveyor General has be abolished creating one vacancy.

All that Assembly Constitutional Amendment No. 6 does is to substitute the Controller to fill that vacancy.

THOMAS A. MALONEY,
Member of the Assembly, Twentieth District.

MELVYN I. CRONIN,
Member of the Assembly, Twenty-fifth District.

END OF ARGUMENTS

PART II — APPENDIX

PROHIBITING "HOT CARGO," "SECONDARY BOYCOTT." Referendum against Act of Legislature (Chapter 623, Statutes 1941). Declares unlawful "hot cargo" and "secondary boycott," allowing person injured injunction and damages. Defines "hot cargo" as combination or agreement resulting in employer's or employee's refusal to handle goods or perform services because of another employer's labor dispute or contract; "secondary boycott" as combination or agreement to cease performing services or cause any employer loss to induce him to refrain from business with another employer because of latter's labor dispute. Act effective to May 1, 1943, or during proclaimed national emergency or war.	YES	
1	NO	

The Legislature of the State of California, in regular session in 1941, passed over the Governor's veto the following act, and a petition bearing the signatures of a sufficient number of electors asking that the act be submitted to the electors for their approval or rejection, having been filed with the Secretary of State, in due time, the said act is hereby submitted on referendum.

(This proposed law does not expressly amend any existing code section, but adds a new chapter to the Labor Code; therefore the provisions thereof are printed in BLACK-FACED TYPE to indicate that they are NEW.)

PROPOSED LAW.

An act to add Chapter 8, comprising Sections 1131, 1132, 1133, 1134, 1135 and 1136 to Part 3, Division 2 of the Labor Code, relating to hot cargo and secondary boycotts.

[Passed over Governor's veto June 5, 1941. Filed with Secretary of State June 7, 1941.]

The people of the State of California do enact as follows:

SECTION 1. Chapter 8 is hereby added to Part 3, Division 2 of the Labor Code, to read as follows:

CHAPTER 8. HOT CARGO AND SECONDARY BOYCOTTS

1131. The "hot cargo" and "secondary boycott" are hereby declared to be unlawful.

1132. Any act, combination or agreement which directly or indirectly causes, induces or compels a violation of any of the provisions of this chapter, or inflicts any loss, injury or damage on anyone because of his refusal to violate any of the provisions of this chapter shall be unlawful.

1133. Any person injured or threatened with injury by any violation of any of the provisions of this chapter shall be entitled to injunctive relief therefrom in a proper case, and to recover any damages resulting therefrom in any court having jurisdiction in the State of California.

1134. Definitions.

(a) As used in this chapter, "hot cargo" means any combination or agreement resulting in a refusal by employees to handle goods or to perform any services for their employer because of a dispute between some other employer and his employees or a labor organization or any combination or agreement resulting in a refusal by employers to handle goods or perform any services for another employer because of an agreement between such other employer and his employees or a labor organization.

(b) As used in this chapter, "secondary boycott" means any combination or agreement to cease performing, or to cause any employee to cease performing any services for any employer, or to cause any loss or injury to such employer, or to his employees, for the purpose of inducing or compelling such employer to refrain from doing business with, or handling the products of any other employer because of a dispute between the latter and his employees or a labor organization or any combination or agreement to cease performing, or to cause any employer to cease performing any services for another employer, or to cause any loss or injury to such other employer, or to his employees, for the purpose of inducing or compelling such other employer to refrain from doing business with, or handling the products of any other employer, because of an agreement between the latter and his employees or a labor organization.

(c) As used in this chapter, "labor organization" means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

(d) As used in this chapter, the term "employer" includes any person acting in the interest of an employer, directly or indirectly and any association of employers, including growers and other hirers of labor.

(e) As, used in this chapter, the term "employee" includes any natural person who works for any person for compensation.

1135. This chapter shall be in effect until May 1, 1943, and thereafter:

(a) During the continuance of the existence of the National emergency declared by the President of the United States to exist, by his proclamation issued under date of September 8, 1939.

(b) During any period of war between the United States of America and any foreign power, legally declared to exist.

1136. If any provision of this chapter, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this chapter, or the application of such provision persons or circumstances other than those as which it is held invalid, shall not be affect thereby.

SEC. 2. This act is enacted for the purpose of preserving tranquillity among the citizens of this commonwealth and to insure during this present critical period of National emergency and intensive armament the unobstructed production and distribution of the products of our factories and fields, for the continued protection and preservation of our democratic way of life and for the general welfare of the people of this State.

2	**ANNUAL LEGISLATIVE SESSIONS AND BUDGETS. Senate Constitutional Amendment 7.** Amends Constitution, Article IV, sections 2 and 34. Requires annual sessions of Legislature, unless Governor in interim convenes Legislature in extraordinary session; all sessions, except extraordinary, commencing first Monday in March and continuing not exceeding 60 days; members' compensation, provided by section 23 same Article, paid during regular session as provided by law. Requires Governor, within first five days of each regular session, submit to Legislature budget for next fiscal year instead of next biennium as now required; in other respects continues existing provisions of section 34 relating to State budgets.	YES
		NO

Senate Constitutional Amendment No. 7—A resolution to propose to the people of the State of California to amend Sections 2 and 34 of Article IV of the Constitution of said State, relating to the Legislature.

Resolved by the Senate, the Assembly concurring, That the Legislature of the State of California at its Fifty-fourth Regular Session commencing on the sixth day of January, 1941, two-thirds of all the members elected to each of the two houses of the Legislature voting therefor, hereby proposes to the people of the State of California to amend Sections 2 and 34 of Article IV of the Constitution of said State so as to read as follows, respectively:

(This proposed amendment expressly amends existing sections of the Constitution; therefore, EXISTING PROVISIONS proposed to be DELETED are printed in STRIKE-OUT TYPE; and NEW PROVISIONS proposed to be INSERTED are printed in BLACK-FACED TYPE.)

PROPOSED AMENDMENT TO THE CONSTITUTION

SEC. 2. The sessions of the Legislature shall be ~~biennial~~ **annual,** unless the Governor shall, in the interim, convene the Legislature, by proclamation, in extraordinary session. All sessions, other than extraordinary, shall commence at 12 o'clock m., on the first Monday ~~after the first day of January next succeeding the election of its members~~ **in March,** and shall continue in session for a period not exceed ~~30~~ 60 days thereafter~~, whereupon a recess of houses must be taken for not less than thirty d. On the reassembling of the Legislature, no bill shall be introduced in either House without the consent of three-fourths of the members thereof, nor shall more than two bills be introduced by any one member after such reassembling.~~

The compensation of the members of the Legislature provided by Section 23 of this article shall be paid during each annual regular legislative session at such times as may be provided by law.

SEC. 34. The Governor shall, within the first ~~thirty~~ **five** days of each regular session of the Legislature ~~and prior to its recess~~, submit to the Legislature, with an explanatory message, a budget containing a complete plan and itemized statement of all proposed expenditures of the State provided by existing law or recommended by him, and of all its institutions, departments, boards, bureaus, commissions, officers, employees and other agencies, and of all estimated revenues, for ~~each fiscal year of the ensuing biennial period,~~ **the next fiscal year** together with a comparison, as to each item of revenues and expenditures, with the actual revenues and expenditures for the ~~first fiscal year of the existing biennial period and the actual and estimated revenues and expenditures for the second fiscal year thereof.~~ **preceding fiscal year.** If the proposed expenditures f

the ensuing ~~biennial period~~ **fiscal year** shall exceed the estimated revenues therefor, the Governor shall mmend the sources from which the additional venue shall be provided The Governor, and also the Governor-elect, shall have the power to require any institution, department, board, bureau, commission, officer, employee or other agency to furnish him with any information which he may deem necessary in connection with the budget or to assist him in its preparation. The budget shall be accompanied by an appropriation bill covering the proposed expenditures, to be known as the budget bill. The budget bill shall be introduced ~~immediately~~ **during the first five days of the session** into each house of the Legislature by the respective chairmen of the committees having to do with appropriations, and shall be subject to all the provisions of Section 15 of this article. The Governor may at any time amend or supplement the budget and propose amendments to the budget bill before or after its enactment, and each such amendment shall be referred in each house to the committee to which the budget bill was originally referred. **Neither house shall place any bill upon final passage until 15 days after its introduction.** Until the budget bill has been finally enacted, neither house shall place upon final passage any other appropriation bill, except emergency bills recommended by the Governor, or appropriations for the salaries, mileage and expenses of the Senate and Assembly. No bill making an appropriation of money, except the budget bill, shall contain more than one item of appropriation, and that for one single and certain purpose to be therein expressed. In any appropriation bill passed by the Legislature, the Governor may reduce or eliminate any one or more items of appropriation of money while approving other portions of the bill, whereupon the effect of such action and the further procedure shall be as provided in Section 16 of this article. Section 29 of this article is hereby repealed. In case of conflict between this section and any other portion of this Constitution, the provisions of this section shall govern, except that any item of appropriation in the budget act, other than for the usual current expenses of the State, shall be subject to the referendum. The Legislature shall enact all laws necessary or desirable to carry out the purposes of this section, and may enact additional provisions not inconsistent herewith.

3

BASIC SCIENCE ACT. Initiative. Creates Board of Examiners in basic sciences (naming five sciences) comprising five members with prescribed qualifications appointed by Governor. Requires persons obtain basic science certificate from said Board after written examination before applying to Medical, Dental, Osteopathic or Chiropractic Boards, or other governmental authority, for license to practice healing art (defining same) or any phase thereof. Exempts various professions, present licensees and persons treating sick by prayer in practice of any well-recognized religion. Prescribes examination fees, penalties for violations and disposition of fines, requiring proceeds therefrom used for administering Act. Declares existing statutes not repealed.

YES	
NO	

Sufficient qualified electors of the State of California have presented to the Secretary of State a petition and request that the proposed law hereinafter set forth be submitted to the people of the State of California for their approval or rejection, at the next ensuing general election. The proposed law is as follows:

(This proposed law does not expressly amend any existing law; therefore, the provisions thereof are printed in BLACK-FACED TYPE to indicate that they are NEW.)

PROPOSED LAW

The people of the State of California do enact as follows:

Section 1. This act shall be known as the "Basic Science Act".

Section 2. For the purposes of this act:

(a) The basic sciences include all of the following subjects: anatomy, physiology, biochemistry, bacteriology, pathology.

(b) Any person who undertakes or represents to be able to diagnose, treat, correct, adjust, palliate, operate or prescribe for any human disease, ailment, pain, injury, deformity or any physical or mental condition, or who shall either offer or undertake by any system, means or method to diagnose, treat, correct, adjust, palliate, operate or prescribe for any human disease, ailment, blemish, disfigurement, pain, injury, deformity or any physical or mental condition, or who shall either offer or undertake to replace or repair fixed or removable, lost or missing parts of the human body, or who shall either offer

or undertake to perform any services in connection with pregnancy, miscarriage or childbirth, is engaged in the practice of the healing art. The words "healing art" wherever used in this act include and refer to the definitions set forth in this subsection.

(c) "Board" means the Board of Examiners in the Basic Sciences unless otherwise stated.

(d) Whenever any reference is made herein to any other law of this State, such reference shall apply to all amendments and additions thereto now or hereafter made.

Section 3. (a) There is hereby created and established a Board of Examiners in the Basic Sciences which shall consist of five members. Said Board shall conduct a written examination of all persons who hereafter apply:

1. To the Board of Medical Examiners of the State of California for a physician's and surgeon's certificate, a drugless practitioner's certificate, a certificate to practice chiropody, a certificate to practice midwifery or any other certificate or license issuable by it; or

2. To the Board of Dental Examiners of California for registration as a licensed dentist; or

3. To the Board of Osteopathic Examiners of the State of California, established by the Osteopathic Act adopted by the electors November 7, 1922, for any certificate or license which may be issued by said Board under said Osteopathic Act or under the Business and Professions Code; or

4. To the State Board of Chiropractic Examiners for any of the licenses which may be issued by it under the initiative act entitled "An act prescribing the terms upon which licenses may be issued to practitioners of chiropractic, creating the State Board of Chiropractic Examiners and declaring its powers and duties, prescribing penalties for violation hereof and repealing all acts and parts of acts inconsistent herewith," adopted by the electors November 7, 1922; or

5. To the above named Boards or any other Board or Agency or governmental authority now existing or hereafter created for any license, certificate or other instrument authorizing the holder thereof to treat the sick or afflicted or to practice the healing art or any branch or phase thereof or to engage in or practice any system or method of healing that may now or hereafter be the subject of any legislation by the people of the State of California or by the Legislature thereof.

(b) Said examination shall include all of the basic sciences, provided, however, that two anatomy examinations designated "Anatomy A—Anatomy of the Human Body" and "Anatomy B—Anatomy of the Human Body with Special Emphasis on Structures Above the Clavicle", respectively, shall be offered in each examination and each applicant shall be permitted to select either one or the other of anatomy examinations.

(c) No person may apply to any of said Boards or Agencies designated in this Section 3 for any of the certificates or licenses issued or granted by any of said Boards or Agencies, unless he holds a valid basic science certificate issued by the Board of Examiners in the Basic Sciences.

Section 4. The Governor shall, within thirty (30) days after this act takes effect, appoint the first members of the Board of Examiners in the Basic Sciences. The first members of the Board and all subsequent appointees shall be selected because of their knowledge of the Basic Sciences and each person appointed shall be and remain an associate professor or full professor in one or more of the Basic Sciences at a university or college in this State of equal or higher rank than a State college or an active full time member of the faculty in one or more of the Basic Sciences in a State college established under the laws of this State; provided, however, that only one (1) member shall be appointed from any one university, State college or other institution of learning. The first members of said Board shall be appointed one for one year, one for two years, one for three years, one for four years and one for five years, from the date of their respective appointments. On the expiration of the term of each member, the Governor shall fill the vacancy by appointment for a term of five (5) years. On the death, resignation, disqualification or removal of any member, the Governor shall fill the vacancy by appointment for the unexpired portion of such member's term. No member of the Board shall be actively engaged in the practice of the healing art or any branch thereof. Each member shall have resided in this State not less than five (5) years next preceding his appointment and shall be a citizen of the United States of America.

Section 5. The Board shall organize as soon as practicable after its appointment. It shall elect officers, including a chairman, a vice-chairman and a secretary, adopt a seal, and make and enforce such rules as it deems expedient to carry this act into effect. The Board must keep a record of its proceedings, which shall be prima facie evidence of all matters contained therein. Three (3) members of the Board shall constitute a quorum.

Section 6. The Board may employ special agents and such clerical and other assistants as it may deem necessary and fix the compensation to be paid for such services and may incur such other expenses as it may deem necessary. Each member of the Board shall receive $10.00 per diem and actual expenses when actively engaged in the discharge of his duties.

The compensation of the members of the Board and other expenses of the Board shall, as far as possible, be paid out of the Board of Basic Science Examiners' Fund. The Attorney General shall act as attorney for the Board and advise it in the performance of its duties.

Section 7. The Department of Professional and Vocational Standards shall furnish the Board with suitable offices and quarters in which to conduct its administrative duties and the examinations to be held by it.

Section 8. The fee payable by each applicant for examination or re-examination shall be determined by the Board but shall be not less than Five ($5.00) Dollars nor more than Fifteen ($15.00) Dollars.

Section 9. The Board shall issue a basic science certificate to each successful applicant after examination in the basic sciences. Each basic science certificate shall be in the form prescribed by the Board and signed by its chairman, vice-chairman or secretary.

Section 10. The sum of $5,000.00 is hereby appropriated from the general fund of this State to carry out the purposes of this act, provided that said sum is to be returned to the general fund as soon as the Board determines that it has sufficient funds to administer and carry out the provisions of this act. The State Treasurer shall place said sum in a special fund which shall be known as the "Board of Basic Science Examiners' Fund", which fund is hereby created.

Section 11. All moneys received by the Board shall be reported at the beginning of each month for the month preceding to the State Controller. At the same time the entire amount of such receipts shall be paid into the State Treasury. The State Treasurer shall place the money so received in said special fund known as the "Board of Basic Science Examiners' Fund" and said fund shall not be drawn upon or used for any purpose other than as set forth in this act.

Section 12. Said "Board of Basic Science Examiners' Fund" shall be held solely for the uses of the Board and out of it shall be paid all compensation and all other necessary and proper expenses in carrying out the provisions of this act upon claims against the State approved by the Board or a finance committee thereof.

Section 13. The Board shall conduct examinations in the basic sciences at least two times each year. Said examinations shall be held during the months of April and October. The April examination shall be held in San Francisco and the October examination shall be held in Los Angeles. The Board may conduct two additional examinations which shall be held in the month of January in Sacramento and in the month of July in Los Angeles. The examination shall be conducted in writing in such a manner that the applicant shall be known by number only until the examination papers have been read and the proper grades determined. The examination shall be of such a nature as to constitute a reasonable test as to whether the person so examined has such knowledge of the elementary principles of the basic sciences as should be acquired after the completion of a course of instruction of approximately four semester hours or units in each of said basic sciences at the University of California or other college or university of equal rank. The Board shall establish rules for the conduct of all examinations, grading of examination papers and passing upon the technical qualifications of applicants. An applicant, to pass an examination, must obtain a grade of not less than 70% in each subject and a total average of 75% in all subjects. If an applicant fails, he may be re-examined at any subsequent examination. Such re-examination shall include all of the basic sciences.

Section 14. No certificate shall be issued by the Board unless the person applying for it submits evidence satisfactory to the Board: (1) that he is not less than 21 years of age, (2) that he is a person of good moral character, (3) that before he began the study of the healing art he was graduated by a high school accredited by the University of California or a school of similar grade or that he possesses educational qualifications equivalent to those required for graduation by such an accredited high school, and (4) that he has a knowledge of the basic sciences as shown by his passing an examination therein given by the Board pursuant to this act.

Section 15. The Board shall in no manner discriminate against any system or branch of healing and no applicant shall be required to disclose which system or branch of the healing art he intends to pursue.

Section 16. Any basic science certificate and any license or certificate to practice the healing art or any branch thereof issued contrary to this act is void. A complete list of all current applicants for certificates or licenses shall be submitted, at least twice each year, to the Board of Examiners in the Basic Sciences by all boards and agencies designated or referred to in Section 3 of this act. Any Board in this State which has issued a certificate or license on the basis of a void basic science certificate must revoke or cancel that certificate or license. The procedure for such revocation or cancellation shall be in accordance with the provisions of the act under which such certificate or license was issued, authorizing the cancellation or revocation of certificates or licenses generally. The basic science certificate issued to any person shall be revoked automatically by the revocation of any license to practice the healing art or any branch thereof held by him.

Section 17. Any person who practices the healing art or any branch thereof without having obtained a valid certificate from the Board of Examiners in the Basic Sciences, except as authorized by this act, is guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more than $500.00 or by imprisonment in the county jail for not more than one year or by both such fine and imprisonment.

Section 18. Any person who obtains or attempts to obtain or assists in obtaining a basic science certificate by dishonest or fraudulent means or who forges, counterfeits, issues or materially alters any such certificate or who obtains or attempts to obtain a license to practice the healing art or any branch thereof from any Board or officer authorized to issue any such license without first presenting to said Board or officer a valid certificate issued to the applicant by the Board of Examiners in the Basic Sciences is guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more than $500.00 or by imprisonment in the county jail for not more than one year, or both such fine and imprisonment.

Section 19. Upon collection by the proper officer of the Court, seventy-five (75) per cent of the fines or forfeitures of bail in any case in which any person is charged with the violation of this act shall be paid to the Board without placing the fine or forfeiture of bail in any special, contingent or general fund in any county, city or township and the balance of twenty-five (25) per cent of the fines or forfeitures of bail shall be paid to the county where the action is tried. The Board shall, in accordance with the provisions of this act, report to the State Controller all fines, penalties and forfeitures received for violations of this act and pay the same to the State Treasury for deposit in the Board of Basic Science Examiners' Fund.

Section 20. A person who has paid money or anything of value to a person not authorized to practice the healing art or any branch thereof, as compensation for services rendered in the practice of the healing art or any branch thereof, when the payor did not know at the time of payment that the payee was neither the holder of a certificate issued by the Board nor authorized to practice without such a certificate, may recover such money or the value of the thing paid, by an action in the Superior Court commenced within two years from the date of payment.

Section 21. The Board of Examiners in the Basic Sciences and the several boards authorized to issue certificates or licenses to practice the healing art or any branch thereof shall investigate every violation or claimed violation of this act coming within the scope of such boards respectively and report to the Attorney General or to the Di Attorney of the county in which such violati... occurred, all cases that in the judgment of such Board warrant prosecution. Members of the respective boards shall not be civilly liable for any mistake or error resulting in prosecution hereunder. It shall be the duty of the Attorney General and of the several District Attorneys to prosecute violations of this act.

Section 22. This act does not apply to pharmacists, nurses, dental hygienist, optometrists, barbers or cosmetologists practicing within the limits of their respective occupations; to any commissioned medical or dental officer in the United States Army or Navy or public health service, in the discharge of his official duties; nor to persons in this State holding physician's and surgeon's certificates, drugless practitioner's certificates, midwives' certificates, chiropodist's certificates, licenses to practice dentistry, licenses to practice osteopathy or licenses to practice chiropractic at the time this act takes effect; nor to persons who treat the sick by prayer in the practice of the religion of any well-recognized religious sect or organization.

Section 23. Nothing in this act shall be construed as repealing any statutory provision in force at the time of its adoption, provided, however, that in so far as it is inconsistent with or in modificatio of the Chiropractic Act submitted by the initi and approved by the electors November 7, 192.. the Osteopathic Act submitted by the initiative and approved by the electors November 7, 1922, each of said acts is hereby superseded, amended or modified, as the case may be. Except as may be necessary in order to accomplish the purposes hereof, said Chiropractic Act and said Osteopathic Act are not hereby affected. Any Board authorized to issue licenses or certificates to practice the healing art or any portion or branch thereof may, in its discretion, accept certificates issued by the Board of Examiners in the Basic Sciences in lieu of examining applicants in such sciences or may continue to examine applicants in such sciences as heretofore.

Section 24. Should any section, clause, sentence or provision of this act be held to be invalid or unenforceable for any reason, such decision shall not be construed as affecting the validity of any of the remaining portions of this act, it being the intent of the people of the State of California that this act shall be considered as separable and the people of the State of California would have adopted the remainder of this act notwithstanding the invalidity of any such sentence, clause, section or provision.

4 **PERSONAL INCOME TAX LAWS. Initiative Constitutional Amendment.** Amends Constitution, Article XIII, section 11. Declares no law imposing income tax on natural persons, or their estates or trusts shall be valid unless approved by majority of voters after initiative proceedings therefor or after submission thereto at next general election following its passage by two-thirds of all members of each House of Legislature. Repeals 1935 Personal Income Tax Act, Chapter 329, Statutes 1935, and similar personal income tax laws enacted in manner inconsistent therewith, preserving liability for accrued taxes.

YES	
NO	

Sufficient qualified electors of the State of California have presented to the Secretary of State a petition and request that the proposed amendment to the Constitution, hereinafter set forth, be submitted to the people of the State of California for their approval or rejection at the next ensuing general election. The proposed amendment to the Constitution is as follows

(This proposed amendment expressly amends an existing section of the Constitution; therefore, NEW PROVISIONS proposed to be INSERTED are printed in BLACK-FACED TYPE.)

PROPOSED AMENDMENT TO THE CONSTITUTION

Section 11 of Article XIII of the Constitution of the State of California is hereby amended to read as follows:

Section 11.

Income taxes may be assessed to and collected from persons, corporations, joint stock associations, or companies resident or doing business in this State, or any one or more of them, in such cases and amounts, and in such manner as shall be prescribed by law; **provided that no law for the assessment or collection of an income tax on natural persons, or the estates or trusts of natural persons, shall be enacted after the effective date hereof unless approved by a majority of the voters of the State voting thereon after submission thereof by initiative as provided in this Constitution, or unless passed by two-thirds vote of all members of each House of the Legislature and thereafter approved by a majority of the voters of the State voting thereon in the manner provided by law for submission of amendments to the Constitution proposed by the Legislature.**

Chapter 329 of the Statutes of 1935, known as "The Personal Income Tax Act of 1935", and all amendments thereto, is hereby repealed, and any and all other laws for the assessment or collection of an income tax on natural persons, or the estates or trusts of natural persons, enacted prior to the adoption hereof in a manner inconsistent with the provisions hereof are hereby repealed; provided, however, that this repeal shall not affect liability for any tax or penalty assessed or accrued at the date of such repeal, or any law for the collection thereof.

5 **COMPENSATION OF LEGISLATIVE MEMBERS INCREASED MILEAGE MAXIMUM FIXED. Assembly Constitutional Amendment 2.** Amends Constitution, Article IV, section 23. Legislative members to receive $200 each for each month of term for which elected, payable monthly in even-numbered years, and during regular legislative session in odd-numbered years as may be provided by law; and mileage to be fixed by law not to exceed five cents per mile.

YES	
NO	

Assembly Constitutional Amendment No. 2—A resolution proposing to the people of the State of California to amend Section 23 of Article IV of the Constitution of said State, relating to the compensation of members of the Legislature.

Resolved by the Assembly, the Senate concurring, That the Legislature of the State of California, at its Fifty-fourth Regular Session, commencing on the sixth day of January, 1941, two-thirds of all the members elected to each of the two houses of the said Legislature voting in favor thereof, hereby proposes to the people of the State of California that Section 23 of Article IV of the Constitution of said State be amended to read as follows:

(This proposed amendment expressly amends an existing section of the Constitution; therefore, EXISTING PROVISIONS proposed to be DELETED

are printed in STRIKE-OUT TYPE; and NEW PROVISIONS proposed to be INSERTED are printed in BLACK-FACED TYPE.)

PROPOSED AMENDMENT TO THE CONSTITUTION

Sec. 23. The members of the Legislature shall receive for their services the sum of ~~one~~ two hundred dollars ($200) each for each month of the term for which they are elected, to be paid monthly in the even-numbered years and to be paid during the regular legislative session in the odd-numbered years at such times as may be provided by law, and mileage to be fixed by law, all paid out of the State Treasury, such mileage not to exceed five cents ($0.05) per mile.

6	**BOARD OF FORESTRY ESTABLISHED. Senate Constitutional Amendment 6.** Adds Article XXV to Constitution. Creates Board of Forestry of seven members, appointed by Governor with consent of Senate, to represent State's interest in State forests and Federal land matters pertaining to forestry, and determine policy of Division of Forestry, which must prepare plan to reduce losses from forest fires, insect pests and forest diseases, provide fire protection and determine best use of uncultivated wild lands. Creates non-civil service office of State Forester as Chief of Division of Forestry. Transfers funds to support of new Board and Division of Forestry.	YES
		NO

Senate Constitutional Amendment No. 6—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by adding thereto Article XXV, relating to the organization, powers and duties of the Board of Forestry.

Resolved by the Senate, the Assembly concurring, That the Legislature of the State of California, at its regular session commencing on the sixth day of January, 1941, two-thirds of all the members elected to each of the two houses of said Legislature voting in favor thereof, hereby proposes to the people of the State of California that the Constitution be amended to read as follows by adding thereto Article XXV to read as follows:

(This proposed amendment does not expressly amend any existing article of the Constitution but adds a new article thereto; therefore, the provisions thereof are printed in BLACK-FACED TYPE to indicate that they are NEW.)

PROPOSED AMENDMENT TO THE CONSTITUTION

Article XXV. Forestry

Section 1. There shall be a State Board of Forestry of seven members appointed by the Governor with the advice and consent of the Senate.

One of the members shall be a person of practical knowledge and experience in the pine timber industry; one in the redwood timber industry; one in general agriculture and in the beneficial use of water; one in the range live stock industry; and one in the recreational phases of forest use, inclusive of fish and game.

One of the members shall be a representative of the profession of forestry, chosen from the members of the faculty of the school or department of forestry of the University of California.

One of the members shall be chosen at large.

The members first appointed hereunder shall classify themselves by lot so that the term of one member shall expire on the fifteenth of January in each of the years 1944 to 1950. Each subsequent appointee shall hold office for seven years from the expiration of the term of his predecessor and until his successor is appointed and qualified. An appointment to a vacancy occurring before the expiration of a term shall be but for the remainder of that term.

All appointments of members made when the Legislature is not in session shall be subject to confirmation by the Senate at the next regular or special session of the Legislature. No appointee at the time of the creation of the board shall serve on the board without first having been confirmed by the Senate.

Any member of the board may be removed by a vote of two-thirds of the members elected to each house of the Legislature.

The board shall have power to organize itself and to select its officers.

Sec. 2. The board shall represent the State's interests in the acquisition and management of State forests and in Federal land matters pertaining to forestry, and shall determine, establish, and maintain an adequate forest policy. General policies for

the guidance of the Division of Forestry shall be determined by the board. Pursuant to such policies, the Division of Forestry shall:

(a) Prepare and from time to time revise a complete plan for reducing to a minimum the losses caused by forest fires, insect pests, and forest diseases, and may cooperate with other agencies in the administration of the plan; and

(b) With such funds as are made available to it, provide for the adequate protection from fire of grass, grain, brush and timber on private and State lands giving priority to forest and watershed areas, and may cooperate with local governments and other agencies in the administration of such protection; and

(c) Develop fully the facts and ascertain and determine, by detailed economic studies, the conditions under which the management of uncultivated wild lands should be primarily devoted (1) to the conservation of water, or (2) to erosion control, or (3) to production of timber and wood, or (4) to grazing of animals, or (5) to preservation of natural beauty and of wild life.

The board shall have and exercise such additional powers and duties, consistent with the provisions of this article, as the Legislature shall from time to time prescribe.

Sec. 3. The board, with the advice and consent of the Senate, shall appoint and fix the compensation of an executive officer known as the State Forester, who shall be ex officio the Chief of the Division of Forestry in the Department of Natural Resources. He shall be a technically trained forester. The State Forester shall not be a member of the board and shall be exempt from civil service. The board shall have power to remove the State Forester for misconduct, incompetence or neglect of duty.

The State Forester with the approval of the board may appoint, in accordance with civil service and other provisions of law, such assistants, deputies, rangers and other employees as may be necessary for the administration of the affairs of the Division of Forestry and the State Board of Forestry, and may prescribe their duties and fix their salaries.

Sec. 4. On the operative date hereof the unencumbered balance of all funds heretofore lawfully available, or then to be allocated by the Director of Natural Resources, for the maintenance and support of the State officer, board, or agency heretofore administering the provisions of Division 4 of the Public Resources Code, shall become available for the support and maintenance of the board herein created, and for the support and maintenance of the Division of Forestry. On said operative date the State Board of Forestry and the office of State Forester and Chief of the Division of Forestry provided for by the Public Resources Code are hereby abolished.

Sec. 5. The provisions of this article shall become operative on January 15, 1943.

7	**TAXATION OF INSURANCE COMPANIES. Assembly Constitutional Amendment 53.** Adds section 14⅘ to Article XIII, Constitution. Continues through 1942 present taxation provisions affecting insurers. Thereafter taxes insurers, defining same, on annual basis, at rates, and subject to deductions, therein specified, prescribing specifically basis for title insurers. Specifies allowable realty tax deductions through 1946, thereafter prohibiting deductions for taxes paid on real estate owned unless principal office located thereon. Reduces tax rate .05 percent yearly through 1946, prescribing rate of 2.35 percent of annual tax basis thereafter but empowering Legislature to change rate.	YES	
		NO	

Assembly Constitutional Amendment No. 53—A resolution to propose to the people of the State of California that the Constitution of this State be amended by adding Section 14⅘ to Article XIII thereof, relating to taxation of insurers.

Resolved by the Assembly, the Senate concurring, That the Legislature of the State of California at its Fifty-fourth Regular Session commencing on the sixth day of January, 1941, two-thirds of the members elected to each of the two houses of the Legislature voting in favor thereof, hereby proposes to the people of the State of California that the Constitution of this State be amended by adding Section 14⅘ to Article XIII thereof, to read as follows:

(This proposed amendment does not expressly amend any existing section of the Constitution, but adds a new section thereto; therefore, the provisions thereof are printed in BLACK-FACED TYPE to indicate that they are NEW.)

PROPOSED AMENDMENT TO THE CONSTITUTION

14⅘. (a) Those provisions of Section 14¾ of this article relating to taxation of insurance companies and associations shall remain effective as to business

done in this State prior to January 1, 1943, and as to the assessment, levy, collection and adjustment of taxes with respect to such business done prior to that date; but as to such business done subsequent to December 31, 1942, those provisions of Section 14¾ relating to taxation of insurance companies and associations shall not apply, and this section shall apply thereto.

(b) "Insurer," as used in this section, includes insurance companies or associations and reciprocal or interinsurance exchanges. As used in this paragraph, "companies" includes persons, partnerships, joint stock associations, companies and corporations.

(c) An annual tax is hereby imposed on each insurer doing business in this State after December 31, 1942, on the bases, at the rates, and subject to the deductions from the tax hereinafter specified.

(d) In the case of an insurer not transacting title insurance in this State, the "basis of the annual tax" is, in respect to each year, the amount of gross premiums, less return premiums, received in such year by such insurer upon its business done in this State, other than premiums received for reinsurance and for ocean marine insurance.

In the case of an insurer transacting title insurance in this State, the "basis of the annual tax" is, in respect to each year, all income upon business done in this State, except:

(1) Interest and dividends.

(2) Rents from real property.

(3) Profits from the sale or other disposition of investments.

(4) Income from investments.

"Investments" as used in this subdivision (d) includes property acquired by such insurer in the settlement or adjustment of claims against it but excludes investments in title plants and title records. Income derived directly or indirectly from the use of title plants and title records is included in the basis of the annual tax.

In the case of an insurer transacting title insurance in this State which has a trust department and does a trust business under the banking laws of this State, there shall be excluded from the basis of the annual tax imposed by this section, the income of, and from the assets of, such trust department and such trust business, if such income is taxed by this State or included in the measure of any tax imposed by this State.

(e) The rate of tax to be applied to the basis of the annual tax in respect to each of the years set forth below is the percentage set forth below opposite such year:

Year	Percentage
1943	2.55
1944	2.50
1945	2.45
1946	2.40
1947 and each year thereafter	2.35

(f) The deductions which may be made from the tax are:

(1) The principal office deduction.

(2) The real estate deduction.

(g) The "principal office deduction" consists of the right to deduct from the annual tax imposed by this section upon an insurer in respect to a particular year the amount of real estate taxes paid by it, in that year, before, or within 30 days after, becoming delinquent, on real property owned by it at the time of payment, and in which was located, in that year, its home office or principal office in this State. Such real property may consist of one building or of two or more adjacent buildings in which such an office is located, the land on which they stand, and so much of the adjacent land as may be required for the convenient use and occupation thereof.

Where as a result of merger, consolidation, or other method of acquisition of substantially all of the assets of one or more insurers by another insurer, effected prior to January 1, 1939, an insurer owns more than one parcel of real property in this State in which was located a home office or principal office of an insurer immediately prior to such acquisition, the owner shall designate one of such properties as its home or principal office. Real estate taxes paid by it in any of the years 1943 to 1952, inclusive, before, or within 30 days after, becoming delinquent, on such property owned by it at the time of payment and not so designated may also be deducted from the annual tax imposed by this section in respect to such year and are included within the principal office deduction.

(h) Subject to the limitations hereinafter expressed, the "real estate deduction" consists of the right to deduct from the annual tax imposed by this section upon an insurer in respect to any of the years set forth below, the amount of taxes paid by it in that year on real estate owned by it in this State at the time of payment, not in excess of the percentage, set forth below opposite such year, of deductible taxes paid by it in 1939 on real estate owned by it in this State in 1939:

Year	Percentage
1943	75
1944	55
1945	35
1946	15

The limitations hereinabove referred to are:

(1) The real estate deduction defined by this subdivision (h) is not applicable to and shall not be allowed on the annual tax imposed by this section with respect to any year after the year 1946.

(2) In computing the real estate deduction, there shall be excluded from the amount of taxes paid on such real estate the amount of such taxes constituting and included within the principal office deduction, under subdivision (g).

(3) In computing the percentage of deductible taxes paid by an insurer in 1939, there shall be cluded from such deductible taxes the amount of axes, paid by it in 1939, which would, if subdivision (g) were applicable to the year 1939, constitute or be included within the principal office deduction.

(4) Taxes otherwise conforming to the requirements of this subdivision (h) shall not be allowed as part of the real estate deduction unless paid before, or within 30 days after, becoming delinquent. The date of payment of such taxes shall be conclusively established by the time of payment shown on the official tax receipt.

(i) The tax imposed on insurers by this section is in lieu of all other taxes and licenses, State, county, and municipal, upon such insurers and their property, except:

(1) Taxes upon their real estate.

(2) That an insurer transacting title insurance in this State which has a trust department or does a trust business under the banking laws of this State is subject to taxation with respect to such trust department or trust business to the same extent and in the same manner as trust companies and the trust departments of banks doing business in this State.

(3) When by the laws of any other State or country any taxes, fines, penalties, licenses, fees, deposits of money or securities or other obligations or prohibitions are imposed on insurers of this State doing business in such other State or country, or on their agents therein, in excess of those imposed upon insurers of such other State or country or upon their agents therein, so long as such laws continue in force, the same obligations and prohibitions of whatsoever kind may be imposed by the Legislature upon insurers of such other State or country doing business in this State, or upon their agents herein.

(4) The tax on ocean marine insurance.

(j) Every insurer transacting the business of ocean marine insurance in this State shall annually pay to the State a tax measured by that proportion of the underwriting profit of such insurer from such insurance written in the United States, which the gross premiums of the insurer from such insurance written in this State bear to the gross premiums of the insurer from such insurance written within the United States, at the rate of 5 per centum, which tax shall be in lieu of all other taxes and licenses, State, county and municipal, upon such insurer, except taxes upon real estate, and such other taxes as may be assessed or levied against such insurer on account of any other class of insurance written by it. Deductions from the annual tax pursuant to subdivision (f), (g) and (h) can not be made from the ocean marine tax. The Legislature shall define the terms "ocean marine insurance" and "underwriting profit," and shall provide for the assessment, levy, collection and enforcement of the ocean marine tax.

(k) The taxes provided for by this section shall be assessed by the State Board of Equalization.

(l) The Legislature, two-thirds of all the members elected to each of the two houses voting in favor thereof, may by law change the rate or rates of taxes herein imposed upon insurers.

(m) This section is not intended to and does not change the law as it has previously existed with respect to the meaning of the words "gross premiums, less return premiums, received" as used in this section or as used in Section 14 or 14¾ of this article.

8	**USE OF FISH AND GAME FUNDS RESTRICTED. Senate Constitutional Amendment 1.** Adds section 25⅝ to Article IV of Constitution. Requires all moneys collected under any State law relating to protection, conservation, propagation or preservation of fish, game, mollusks or crustaceans, and fines and forfeitures imposed for violation of such laws, be used exclusively for such purposes. Empowers Legislature to provide for division of money derived from such fines and forfeitures.	YES NO

Senate Constitutional Amendment No. 1—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by adding to Article IV thereof a new section, to be numbered 25⅝, relating to fish and game and funds received in connection therewith.

Resolved by the Senate, the Assembly concurring, That the Legislature of the State of California at its Fifty-fourth Regular Session, commencing on the sixth day of January, 1941, two-thirds of all of the mbers elected to each of the two houses of the Legislature voting in favor thereof, hereby proposes to the people of the State of California that the Constitution of the State be amended by adding to Article IV thereof a new section, to be numbered 25⅝ and to read as follows:

(This proposed amendment does not expressly amend any existing section of the Constitution, but adds a new section thereto; therefore, the provisions thereof are printed in BLACK-FACED TYPE to indicate that they are NEW.)

PROPOSED AMENDMENT TO THE CONSTITUTION

Sec. 25§. All money collected under the provision of any law of this State relating to the protection, conservation, propagation, or preservation of fish, game, mollusks, or crustaceans and all fines and forfeitures imposed by any court for the violation of any such law shall be used and expended exclusively for the protection, conservation, propagation, and preservation of fish, game, mollusks, or crustaceans and for the administration and enforcement of laws relating thereto. The Legislature may provide for the division of money derived from such fines and forfeitures.

9	**COMPENSATION OF SPECIFIED STATE OFFICERS MAY BE CHANGED DURING TERM OF OFFICE. Assembly Constitutional Amendment 61.** Adds section 22 to Article V of Constitution. Compensation of Superintendent of Public Instruction, State Treasurer, State Controller and Secretary of State may be diminished or increased by Legislature during term of office.	YES NO

Assembly Constitutional Amendment No. 61—A resolution to propose to the people of the State of California an amendment to the Constitution of said State by adding Section 22 to Article V, relating to the compensation of State officers.

Resolved by the Assembly, the Senate concurring, That the Legislature of the State of California at its Fifty-fourth Regular Session commencing on the sixth day of January, 1941, two-thirds of the members elected to each of the two houses of the said Legislature voting therefor, hereby proposes to the people of the State of California, that the Constitution of said State be amended by adding Section 22 to Article V, to read as follows:

(This proposed amendment does not expressly amend any existing section of the Constitution, but adds a new section thereto; therefore, the provisions thereof are printed in BLACK-FACED TYPE to indicate that they are NEW.)

PROPOSED AMENDMENT TO THE CONSTITUTION

Sec. 22. Notwithstanding anything contained elsewhere in this Constitution, the compensation for the services of the Superintendent of Public Instruction, State Treasurer, State Controller, and Secretary of State may be diminished or increased by the Legislature during his term of office.

10	**REORGANIZATION OF BUILDING AND LOAN ASSOCIATIONS. Initiative to Legislature.** Adds Article XVII to Building and Loan Association Act. Authorizes plans for rehabilitation, readjustment, reorganization, consolidation or merger of building and loan associations, and defines classes of associations affected. Requires consents, specifies procedure, and designates securities permitted to be issued. Requires plans be fair, equitable, non-discriminatory and feasible, and approved by superior court after notice and hearing; declares effect of such approval, and requires undertaking on appeal therefrom. Specifies rights and duties of Building and Loan Commissioner. Declares Legislature may amend or repeal Act.	YES NO

Sufficient qualified electors of the State of California have presented to the Secretary of State a petition and request that the proposed law hereinafter set forth be transmitted to the Legislature. The Legislature having taken no action upon the law so petitioned for within forty days from the time it was received by the Legislature, the proposed law is hereby submitted to the people of the State of California for their approval or rejection. The proposed law is as follows:

(This proposed law does not expressly amend any provisions of existing law but adds a new article to an existing law; therefore, the new provisions are printed in BLACK-FACED TYPE to indicate that they are NEW.)

An act to amend the Building and Loan Association Act of the State of California, as amended, by adding to said act a new article to be numbered XVII, relating to the rehabilitation, readjustment, consolidation, merger or reorganization of

one or more building and loan associations of the classes specified in such Article XVII, or of all or of any part of the business, properties and assets of such association or associations, or the readjustment, modification or reorganization of the rights or interests of any or all of the investors and creditors of such association or associations, providing for the kinds of securities issuable in connection therewith and exempting such securities from certain provisions of the Corporate Securities Act, and authorizing executors, administrators, guardians, receivers, trustees, insurance companies and cemetery associations to consent to a plan as defined in said Article XVII, to exchange shares, stock, investment certificates or other rights or claims for securities issued pursuant to such plan and to continue to hold as a legal investment any securities so received, and exempting the proposer or proposers of a plan from the provisions of an act approved July 1, 1937, being Chapter 784 of the Statutes of 1937.

The People of the State of California do enact as follows:

SECTION 1. A new article is hereby added to the Building and Loan Association Act of the State of California, as amended, which new article shall be numbered XVII and shall read as follows:

ARTICLE XVII—REHABILITATION, READJUSTMENT, CONSOLIDATION, MERGER OR REORGANIZATION OF ASSOCIATIONS.

Sec. 17.01. Application of Article. The terms "such association" or "such associations," as used in this article, shall be limited to an association or associations included in one or more of the following classes: (1) An association of which the property, business and assets are in the possession of the commissioner, regardless of whether or not he shall be liquidating its affairs and regardless of whether or not liquidation shall have been ordered; (2) an association which is no longer able to conduct the normal business of an association; (3) an association which is unable to discharge its debts or other obligations as they become due or which is an "association on notice" as defined in section 6.01; (4) an association which is in such condition that, unless such association is liquidated or a plan is consummated, a preference is likely to be obtained by some certificate holders over other certificate holders or by some shareholders over other shareholders or by some creditors over other creditors of the same class; (5) an association which is in such a condition that it will probably be necessary, unless a plan is consummated, to liquidate such association or to sell or otherwise dispose of a substantial part of its assets at substantially less than the amount which might reasonably be expected to be realized therefrom in the ordinary and proper conduct of a going business.

Sec. 17.02. Definitions of "plan" and "creditor." The term "plan" as used in this article is hereby defined to mean a plan for the rehabilitation, readjustment or reorganization, consolidation or merger of such association or of two or more such associations, or of all or of any part of the business, properties and assets of such association or of two or more such associations, or for the readjustment, modification or reorganization of the rights or interests of any or all of the investors and creditors of such association or of two or more such associations, or for any one or more of the foregoing purposes. Without limiting the generality of the foregoing, a plan may provide in respect of all or any part of the business, properties and assets of such association or associations for any one or more of the following: (1) for the retention thereof by, or (if then in the possession of the commissioner) the return thereof to, such association or any of such associations; (2) the retention thereof by, or (if not then in the possession of the commissioner) the delivery thereof to, the commissioner; (3) the transfer thereof to another corporation or to two or more other corporations (which corporation or corporations or any of them may but need not be an association or associations or a Federal savings and loan association or associations); (4) the transfer thereof to a trustee or trustees; (5) the issuance of new securities of one or more of the kinds mentioned in section 17.08 in lieu of outstanding investment certificates, shares, stock or other obligations of such association or associations. In addition or as an alternative to the foregoing the plan may provide that such association or one or more of such associations shall cease to be an association but shall continue to exist as the same corporate entity, and in the event such plan is approved by the court as hereinafter provided and becomes operative, such association shall become a corporation subject to the General Corporation Law of this State, and thereafter its rights, duties and privileges and all questions relating to such corporation shall be governed and determined by such General Corporation Law and not by this act, except that this Article XVII shall continue to apply to such corporation in all matters relating to such plan or the consummation of such plan, and except that such corporation's name shall be changed so that it shall no longer include any of the following: "building and loan," "building-loan," "association," "saving" or "savings." Any new association formed, pursuant to a plan, to continue the building and loan business of an existing association, may adopt and continue to use the name of such existing association or any part of such name.

The terms "creditor" or "creditors," as used in this article, shall include the holder or holders of

claims of whatever character against an association or its property, whether secured or unsecured, liquidated or unliquidated, fixed or contingent, except shares, stock or investment certificates.

Sec. 17.03. Procedure. A plan may be proposed (1) by such association or by two or more such associations through action of the board of directors of such association or associations or (2) by the holders of 20 per cent in value of the aggregate outstanding free shares and investment certificates of such association or associations. Such plan shall be presented by the proposer or proposers to the superior court of the county in which an office of such association, or at least one of such associations, is located or in which such association, or at least one of such associations, owns real property, with a petition that the court determine the fairness of such plan and the approvals requisite to such plan becoming operative, which petition shall set forth such plan and the fact that it is proposed by a person or persons authorized under this section 17.03 to propose it and any other facts which such proposer or proposers shall deem material to a consideration of the fairness of such plan. Thereupon the court shall fix the time and place for the hearing of such petition and the period for filing consents or dissents to the plan and shall direct that notice of such hearing, with a copy or summary of such plan and a statement as to the filing of consents or dissents thereto shall be mailed, posted and published, all as hereafter in this paragraph provided, and shall direct such association or each of such associations (and/or the commissioner, if he is then in possession of the business, property and assets of such association or of any of such associations) to deliver to such proposer or proposers (or, in the discretion of the court, if the proposer or proposers are not such association or such associations, to the commissioner) a list of the names and addresses of the investors and creditors of such association or of each of such associations as shown by the records of such association or associations, and such other information as the court may deem necessary or proper whereupon such association or each of such associations (and/or the commissioner, as the case may be) shall comply with such direction. Thereafter the proposer or proposers of such plan, not less than thirty days before the date fixed for such hearing, shall mail or cause to be mailed to each of the investors and creditors of such association or associations (and to such association or associations, if not the proposer or proposers of such plan), a notice of the time and place fixed by the court for such hearing and either a copy of such plan or a summary thereof, which summary shall be approved by the court, and a statement that all persons affected by such plan shall file with the court (or with a person or corporation approved by the court and named in such notice), either their consents or their dissents to such plan, within such period (which shall not be less than thirty days from the date of such mailing) as the court shall have prescribed, and that persons who shall not file dissents to the plan within such period shall be deemed to have consented thereto. The court may from time to time extend such period. Section 8.08 of this act shall not apply to such notices. Said notices, plan or summary thereof, and statement shall be mailed, by first-class mail in sealed envelopes, postage prepaid, to the respective addresses as shown on such list or lists, or if no address be there shown, to the last known address. In addition, the proposer or proposers of such plan shall cause a copy of such notice, plan or summary thereof, and statement to be posted in three public places in said county not less than thirty days before the day fixed for such hearing and to be published at least once a week for three successive weeks in a newspaper of general circulation published in said county, the first publication to be at least thirty days before the day fixed for such hearing.

Sec. 17.04. Hearing. At the time and place fixed for such hearing, or at the time and place to which such hearing may be continued by the court, the court shall hear the parties interested therein and, if it deem it necessary, may take testimony relative thereto and or may receive depositions relative thereto. Such hearing shall be, among other things, upon the fairness of the terms and conditions of the issuance of all securities to be issued pursuant such plan and of the exchange thereof for outstanding securities, claims or property interests, or partly in such exchange and partly for cash, and all persons to whom it is proposed to issue securities in such exchange shall have the right to appear at such hearing.

At such hearing any interested stockholder, shareholder, certificate holder or creditor shall have the right, without the necessity of formal intervention, to appear either in support of the plan or in opposition thereto or may propose a modification or modifications of any plan then before the court. No plan shall be approved by the court unless the court is satisfied that the plan is fair and equitable and does not discriminate in favor of any class of investors or creditors, and is feasible.

After the completion of such hearing the court shall approve, modify or disapprove such plan. No such plan shall become operative unless and until it shall have been approved, in its original form or if modified, in its modified form, by such court, nor unless and until such plan shall have been consented to, either in person or by a duly appointed agent, attorney or committee by the following persons: (a) if such association or any of such associations shall have stock outstanding, then by the holders of a majority in amount of the stock of such associa-

or of each of such associations having stock outstanding; (b) if such association or any of such associations shall have shares outstanding, then by the holders of a majority in value of the shares of such association or of each of such associations having shares outstanding; (c) if such association or any of such associations shall have investment certificates outstanding, then by the holders of two-thirds in value of the investment certificates of such association or of each of such associations having investment certificates outstanding; and (d) if such association or any of such associations shall have creditors, then by two-thirds in amount of each class of creditors of such association or of each of such associations having creditors; provided, however, that such consents shall not be required in the case of any certificate holder, shareholder or creditor, or of any class of certificate holders, shareholders or creditors, if (1) the rights of such person or persons shall not be materially and adversely affected by such plan or (2) if such plan shall provide for the payment in cash of the value of the investment certificates, shares or claims held by such person or persons; provided further, that if any plan is modified with the approval of the court and (1) if the court shall find that such modification does not materially and adversely affect the interests of any particular class or classes of persons whose consent to the plan is required, then the consent of such particular class or classes of persons shall not be required to such modification and all persons of such class or classes who shall have consented to the plan prior to the court's approval of its modification shall be deemed to have consented to the modification and to the plan as modified and (2) if the court shall find that such modification materially and adversely affects the interests of any particular class or classes of persons whose consent to the plan is required, notice of such modification may be given to such class or classes of persons in such manner as the court shall prescribe and any person who shall have consented to the plan prior to the court's approval of its modification and who shall not file a written dissent to such modification within the time fixed by the court shall be deemed to have consented to the modification and to the plan as modified unless such person's previous consent to the plan shall have provided otherwise; and provided further, that in lieu of the consents otherwise required by clause (c) above, it shall be sufficient if, due mailing, publication and posting having been made as provided in section 17.03 of a copy of the notice of hearing, plan or summary thereof, and statement as to the filing of consents or dissents, and the period fixed or extended by the court, pursuant to said section 17.03, for filing consents or dissents having expired, (1) the holders of less than one-third in value of the investment certificates of such association or of each of such associations having investment certificates outstanding shall have filed dissents to the plan and also (2) actual consents to the plan shall have been filed by or on behalf of the holders of investment certificates of such association or of each of such associations having an aggregate value at least two times the aggregate value of investment certificates held by persons who shall have filed dissents to the plan. For the purpose of this article, real property, contracts for the sale of real property, loans, and all other assets (whether like or unlike the foregoing) shall be valued at what may reasonably be expected to be realized therefrom in the orderly and proper conduct of a going business. The consents required by this section may be given before the plan is presented to the court, or after such presentation and before the court has approved the plan, or after such approval; and the court may in its discretion fix the period and may from time to time extend the period within which such consents shall be obtained and proof thereof made to the court. If at the time such plan is approved by the court the proportions above required of the investors and creditors shall not have consented to the plan, the order of court may provide that upon satisfactory proof of the fact that such consents have been given, a further order may be entered ex parte providing that such plan shall become operative, which further order shall be binding upon the commissioner, such association or associations, and all its investors and creditors.

The superior court in which such petition is pending is hereby given jurisdiction to enjoin during the pendency of the proceeding and, if a plan is approved, to enjoin thereafter, the commencement or continuance of any action or proceeding against such association or associations or any act, action or proceeding to enforce a lien or charge upon, or to obtain possession of, or to sell or otherwise dispose of (except in conformity with such plan), any property of such association or associations, and to determine all questions required to be determined pursuant to this article including, without limiting the generality of the foregoing, the following: Whether the association or associations subject to such plan are included in one or more of the classes specified in section 17.01; whether any plan, either in its original or modified form is fair and equitable; whether it discriminates in favor of any class of investors or creditors; whether it is feasible; whether the plan is more advantageous than liquidation from the standpoint of each class of investors and creditors affected thereby; whether the terms and conditions of the proposed issuance and exchange of securities thereunder are fair and to approve or disapprove such terms and conditions; the liabilities of such association or associations; the approvals requisite under this article to such plan becoming operative, including jurisdiction to determine, for the purposes of the plan and the consents

or dissents thereto, the division of the investors and creditors into classes according to the nature of their respective rights and interests. In any such plan the court shall give due consideration to the rights and interests of all persons affected thereby (with due regard to the feasibility of such plan and the condition of such association or associations), in the following order of priorities: First, secured creditors; second, investment certificate holders and unsecured creditors, without preference to one over the other, except and to the extent that the court shall deem such preference fair and equitable in view of all the facts and circumstances; third, shareholders; and fourth, stockholders; provided, however, that provision may be made in any such plan for the payment in full of all taxes, assessments, insurance, alterations, repairs and other operating expenses, and for the payment of expenses in connection with such plan as allowed by the court; provided further, that in the case of any association of which the property, business and assets are in the possession of the commissioner which shows a net profit from and after the effective date of this act, the court shall require as a condition of approval of any such plan that there be added, pro rata, or in such equitable manner as the court may determine, to the claims of the investment certificate holders and shareholders of such association, as interest and dividends on such investment certificates and shares, an amount which may equal such net profits of such association, but shall in no event exceed a sum equal to the total interest and dividends at the rate of 4 per cent per year on all such claims from the effective date of this act up to the date of approval of the plan by the court, less the amount of any interest or dividends actually paid or credited on such investment certificates and shares in respect of the period from and after the effective date of this act. Provision may be made in any plan for the payment in cash in full of all certificate holders, shareholders and creditors each of whose investment certificates, shares or claims is of such value, not to exceed twenty-five dollars, as shall be specified in such plan; and if such provision is made, all investment certificates, shares and claims to be paid in cash pursuant to such provision shall be excluded in computing the consents required or given under this section.

If the court shall approve a plan of reorganization, either in its original form or in modified form, the court may allow reasonable compensation for services rendered, and reimbursements for proper costs and expenses incurred by the persons who were the proposer or proposers of such plan and their attorneys in the interest of the proceedings under this article. In fixing such allowance the court shall give consideration only to the services which contributed to the plan approved by the court, or to the refusal of the court's approval of a different plan or plans, or which were beneficial in the proceedings under this article, and to the proper costs and expenses incidental thereto.

Sec. 17.05. Commissioner. The proposer or proposers of a plan shall deliver a copy thereof to the commissioner or to one of his deputies either before the petition referred to in section 17.03 shall have been filed in court or within two days thereafter. A copy of said plan shall be kept by the commissioner available for public inspection at each of his offices in this State. In the case of any plan under which all or any part of the business, properties or assets of such association or associations is to be retained by, returned to or transferred to any association (other than a Federal savings and loan association or an association which, pursuant to the plan, is to cease being an association), such plan shall not be approved by the court unless it shall have been first consented to by the commissioner.

In any proceeding under this article the commissioner shall if requested by the court, and may upon his own motion, file a notice of his appearance in such proceeding. Upon the filing of such a notice the commissioner shall be deemed to be a party in interest, with the right to be heard on all matters arising in such proceeding, and shall be deemed to have intervened in respect of all matters in such proceeding with the same force and effect as if a petition for that purpose had been allowed by the court; but the commissioner may not appeal or file an petition for appeal or review. There shall be pai by the association or associations directly affecte by a proposed plan, or from the assets of such association or associations, the expenses of the commissioner under this article for any or all of the following purposes and no others: fees and expenses of the commissioner's counsel, reporters' fees, witness fees and expenses, court costs, and other expenses of the commissioner incident to presenting to the court his views with respect to any plan or plans proposed under this article; provided such expenses shall be approved by the court as reasonable and proper.

In any proceeding under this article the commissioner shall be represented by the Attorney-General of the State of California or by one or more deputies of such Attorney-General. During the pendency of a proceeding under this article, the commissioner shall not employ or engage, with respect to any association or associations directly affected by such proceeding, or with respect to the business, property or assets of any association or associations so affected, counsel other than such Attorney-General or one or more of his deputies, or any appraisers or accountants other than appraisers or accountants who are subject to the civil service laws of this State, nor employ, with respect to any such association, business, property or assets, as additional employees in this State or to replace previous employees in this State, any person who is not subject to the ci

service laws of this State for any position or work which a person subject to the civil service laws of this State is available.

Sec. 17.06. Effect of Approval and Consents. When any plan under this article shall have been so approved by the court and shall have been consented to by or on behalf of the respective required proportions of the investors and creditors, such plan shall be binding upon the commissioner, such association or associations, and all the investors and creditors of such association or associations; and such association or associations and all such investors and creditors shall be conclusively deemed to have consented to all of the terms and conditions of such plan whether or not all of such persons shall actually have consented thereto and whether or not all of them shall have received notice of such plan or of such hearing as hereinbefore provided. Thereupon such steps shall be taken by the commissioner, such association or associations and all other persons affected by such plan, and all acts shall be done, all instruments executed and all securities issued, as may be required by such plan so approved and as may be necessary or desirable for the consummation of such plan. The association or associations, the commissioner, or such person as the court shall appoint, shall supervise and direct subject to the orders of the court the consummation of such plan.

The commissioner shall have and may exercise the same jurisdiction, authority and powers with respect to any business, properties or assets retained by or delivered to the commissioner pursuant to any plan as the commissioner shall have with respect to the business, properties and assets of any association of which the commissioner has taken possession; and the commissioner shall have and may exercise the same jurisdiction, authority and powers with respect to any association (excepting a Federal savings and loan association) formed pursuant to any plan or by or to which any business, properties or assets may be retained or returned or transferred pursuant to any plan (excepting a Federal savings and loan association or an association which, pursuant to the plan, is to cease being an association) as the commissioner would have of such association if it had been formed or had acquired its business, properties and assets by means other than a plan.

If any part of the business, properties and assets are to be retained by or transferred to a corporation which is not to be an association, the plan may contain such provisions, if any, as the court shall require with respect to continuing examination or supervision of such corporation.

Sec. 17.07. Appeals. No appeal from an order of the superior court approving a plan shall be effectual for any purpose, unless within thirty days after the entry of such order the appellant or appellants shall file with the clerk of such court a bond executed on the part of the appellant or appellants by at least two sureties to the effect that the appellant or appellants, in the event such order is affirmed on appeal, will pay all of respondents' costs, expenses and reasonable attorneys' fees arising from such appeal. The form and amount of such bond and the sureties thereon shall be approved by the superior court. Appeals from orders approving plans shall be given preference in hearing on appeal over all other appeals, except contested election cases and cases in which the people of the State are parties.

Except as otherwise provided by this section, the provisions of part II of the Code of Civil Procedure are applicable to and constitute the rules of practice in the proceedings mentioned in this article with regard to appeals.

Sec. 17.08. Securities Issued Under Plan. The term "securities" as used in this article shall include not only shares, stock and investment certificates issuable by associations under other provisions of this act but also shares of Federal savings and loan associations and stock of one or more classes, issuable by corporations generally, and also bonds, notes, debentures, warrants, or evidences of indebtedness or of beneficial interest or of any other claims or rights. An association may issue, pursuant to a plan approved under this article, and for any consideration specified in such plan, any one or more of the above mentioned kinds of securities, regardless of any provisions of this act to the contrary. None of the provisions of the Corporate Securities Act shall apply to any securities issued pursuant to a plan approved under this article, whether or not such securities are issued by an association, except that brokers, as defined in said act, shall be subject to the provisions of said act with respect to all transactions involving such securities. None of the provisions of an act approved July 1, 1937, entitled "An act requiring individuals, as in said act defined, to obtain a certificate from the Commissioner of Corporations prior to soliciting, receiving or collecting contributions, fees or funds from security owners or holders for the purpose of protecting, enforcing or representing the rights of such security owners or holders; authorizing the Commissioner of Corporations to regulate and supervise the solicitation, collection and application of such funds; and providing for the enforcement of said act and penalties for the violation thereof" shall apply to the proposer or proposers of a plan which has been duly presented to the court pursuant to this article.

Sec. 17.09. Authority of Fiduciaries. Any executor, administrator, guardian or receiver, and any trustee of any kind or nature, and any insurance company, cemetery association or other corporations, public or private, may, without the necessity of obtaining any specific court approval: (a) consent to any plan which has been approved by the court pursuant to section 17.04, or consent to any

such plan subject to such plan being approved by the court; (b) exchange any shares, stock, investment certificates or other rights or claims, for securities issued pursuant to any plan which has been approved by the court; and (c) may continue to hold as a legal investment any securities received pursuant to any plan approved by the court.

Sec. 2. This act, and any or all of the provisions of said Article XVII of the Building and Loan Association Act, may be amended or repealed by the Legislature.

Sec. 3. It is hereby declared that this act is enacted in the exercise of the police powers of this State, because of the existence of a public emergency affecting the welfare, health, safety and comfort of the people requiring this act, arising out of the following circumstances: Approximately two hundred million dollars is invested in associations in this State and such investments are held by several hundred thousand people, a large percentage of whom are persons of only moderate means and many of whom are executors, administrators, guardians, receivers, trustees, insurance companies and cemetery associations. Many of the funds of associations were invested in long-term loans secured by real property. By reason of the recent depression, with resulting widespread unemployment and decline in rental and sales values, many borrowers from associations were unable to meet their obligations to the associations. By reason of defaults of such borrowers, many associations have suffered heavy losses, both in income and in net worth. In the absence of this act liquidation of a number of such associations would be necessary. Such liquidation would impose severe hardships not only upon the borrowers and investors but also upon the public generally, by causing a marked decline in real estate values. Associations are not subject to the Bankruptcy Act, but are and for many years have been subject to control and regulation by the State and to supervision the commissioner. In the public interest it is necessary to enact this act in order to provide a means, subject to suitable safeguards, by which the business or affairs of associations in one or more of the classes specified in section 17.01 may be rehabilitated.

Sec. 4. If any section, subsection, paragraph, sentence, clause, phrase or other part of this act, or if any article, section, subsection, paragraph, sentence, clause, phrase or other part of the Building and Loan Association Act as amended by this act, is for any reason held to be unconstitutional, or to be invalid as applied to any person, association or circumstance, such decision shall not affect the validity of the remaining portions of this act or of said act as so amended, or the application to other persons, associations or circumstances of the part held to be invalid as aforesaid. This act and each section, subsection, paragraph, sentence, clause, phrase or other part thereof, would have been enacted, and said act would have been amended by adding thereto each article, section, subsection, paragraph, sentence, clause, phrase or other part added thereto by this act, irrespective of the fact that any one or more of the sections, subsections, paragraphs, sentences, clauses, phrases or other parts of this act be declared unconstitutional or be invalid as applied to any person, association or circumstance, and irrespective of the fact that any one or more of the articles, sections, subsections, paragraphs, sentences, clauses, phrases or other parts added to said act by this act be declared unconstitutional or be invalid as applied to any person, association or circumstances.

BOXING AND WRESTLING MATCHES REGULATED. Senate Constitutional Amendment 13. Amends Constitution, Article IV, section 25¾. Legislature may regulate wrestling and boxing matches. Limits boxing matches to twelve three-minute rounds, except championship matches may be fifteen rounds if first approved by State Athletic Commission. All moneys derived from license fees, taxes or other means, except legislative appropriations therefrom for administrative costs of Athletic Commission, applied to homes for care of war veterans. Exempts from tax proceeds of matches inuring exclusively to benefit of American Legion or other recognized veterans' organizations. Authorizes Legislature to change Boxing and Wrestling Initiative Act.	YES	
11	NO	

Senate Constitutional Amendment No. 13—A resolution to propose to the people of the State of California an amendment to the Constitution of the State by amending Section 25¾ of Article IV, relating to boxing, sparring and wrestling matches or exhibitions.

Resolved by the Senate, the Assembly concurring, That the Legislature of the State of California a

Fifty-fourth Regular Session commencing on the sixth day of January, 1941, two-thirds of all the members elected to each of the two houses voting in favor thereof, hereby proposes to the people of the State of California an amendment to the Constitution of this State by amending Section 25¾ of Article IV thereof to read as follows:

(This proposed amendment expressly amends an existing section of the Constitution; therefore, EXISTING PROVISIONS proposed to be DELETED are printed in STRIKE-OUT TYPE; and NEW PROVISIONS proposed to be INSERTED are printed in BLACK-FACED TYPE.)

PROPOSED AMENDMENT TO THE CONSTITUTION

Sec. 25¾. The Legislature may provide for the supervision, regulation and conduct, in such manner as it may determine, of wrestling matches or exhibitions and of boxing and sparring matches or exhibitions; provided, that no boxing or sparring match or exhibition shall be of more than 12 rounds in length, such rounds to be of not more than three minutes for each round; **except that championship matches may, if the approval of the State Athletic Commission is first obtained, be 15 rounds in length, such rounds to be of not more than three minutes duration each.** All moneys, except such sum as the Legislature shall appropriate annually to defray the expenses of the State Athletic Commission of California and to pay the salaries of officers and employees as provided by law, received by the State from license fees, taxes or other means, on or in relation to boxing, sparring and wrestling matches or exhibitions, shall be and are hereby appropriated for the purpose of maintaining such homes for the care of veterans of any war of the United States as may be existing at the time this amendment becomes effective, or that may be established by the laws of this State. Such moneys shall be ~~apportioned~~ **appropriated** as the Legislature of the State of California may direct.

The Legislature in the exercise of the power granted herein may amend, revise, or supplement any part of that certain initiative act approved by the electors November 4, 1924, entitled "An act to authorize boxing and wrestling contests for prizes or purses, or where an admission fee is charged, and limiting such boxing contests to 12 rounds; to create an Athletic Commission empowered to license such contests and the participants therein; to prescribe conditions under which licenses shall be issued and contests held; to declare that amateur boxing contests conducted under Section 412 of the Penal Code shall be subject to the provisions of this measure and under the sole jurisdiction of such commission in all cases wherein an admission fee is charged spectators to witness such amateur boxing contests."

The Legislature shall, however, have no power to take away the effect of the provisions of the initiative act hereinabove cited which allow wrestling and 12-round boxing contests in the State of California. The repeal either in fact or effect of the sections of the above cited act shall rest entirely in the hands of the people of the State of California as heretofore.

No tax shall be levied or collected in respect to any admissions to a boxing contest or wrestling match or exhibition wherein all the proceeds or net earnings of which inure exclusively to the benefit of any post of the American Legion or any other duly recognized organization of veterans of any war of the United States and not to the benefit of any individual member thereof.

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12 **SCHOOL DISTRICTS, FIFTH AND SIXTH CLASS CITIES MAY ACQUIRE STOCK IN MUNICIPAL WATER COMPANIES.** **Assembly Constitutional Amendment 19.** Amends Constitution, Article IV, section 31c. School districts and cities of fifth or sixth class may acquire and hold capital stock of mutual water companies and corporations for purpose of furnishing water for public municipal or school purposes, with rights, powers, privileges, obligations and liabilities of other holders.

YES	
NO	

Assembly Constitutional Amendment No. 19—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending Section 31c of Article IV thereof, relating to ownership of stock by school districts.

Resolved by the Assembly, the Senate concurring, That the Legislature of the State of California at its Fifty-fourth Regular Session commencing on the sixth day of January, 1941, two-thirds of the members elected to each of the two houses of the Legislature voting therefor, hereby proposes to the people of the State of California that the Constitution of the State be amended by amending Section 31c of Article IV thereof to read as follows:

(This proposed amendment expressly amends an existing section of the Constitution; therefore, EXISTING PROVISIONS proposed to be DELETED

are printed in STRIKE-OUT TYPE; and NEW PROVISIONS proposed to be INSERTED are printed in BLACK-FACED TYPE.)

PROPOSED AMENDMENT TO THE CONSTITUTION

Sec. 31c. Nothing contained in this Constitution shall preclude any **school district or** city of the fifth or sixth class from acquiring or holding shares of the capital stock of any mutual water company or corporation when said stock is so acquired or held for the purpose of furnishing a supply of water for public ~~or~~ **municipal or school** purposes, or for the use of the inhabitants of the city, and the **school district or** city, **as the case may be,** is hereby authorized to acquire and hold such stock, and said holding of such stock shall entitle such holder thereof to all the rights, powers and privileges, and subjects such holder to the obligations and liabilities, as are given or are imposed by law to or upon other holders of stock in the mutual water corporation in which such stock is so held.

BOARDS OF EQUALIZATION. Senate Constitutional Amendment 18.

13 Amends Constitution, Article XIII, section 9. State Board of Equalization to comprise five members, each elected from one of five equalization districts. Eliminates Controller from Board. Specifies counties comprising each district, permitting Legislature by two-thirds vote to redefine districts. Member's term four years; those serving when section becomes operative continue for balance of term, Governor appointing member from fifth district to hold until January, 1947. Reenacts, substantially unchanged, present provisions constituting boards of supervisors equalization boards in their respective counties, but without power to alter property valuation assessed by State Board.

YES	
NO	

Senate Constitutional Amendment No. 18—A resolution to propose to the people of the State of California an amendment to the Constitution of said State by amending Section 9 of Article XIII of said Constitution, relating to State and county boards of equalization.

Resolved by the Senate, the Assembly concurring, That the Legislature of the State of California at its Fifty-fourth Regular Session, commencing on the sixth day of January, 1941, two-thirds of all the members elected to each of the two houses of said Legislature voting in favor thereof, hereby proposes to the people of the State of California that Section 9 of Article XIII of the Constitution of said State be amended to read as follows:

(This proposed amendment expressly amends an existing section of the Constitution; therefore, EXISTING PROVISIONS proposed to be DELETED are printed in STRIKE-OUT TYPE; and NEW PROVISIONS proposed to be INSERTED are printed in BLACK-FACED TYPE.)

PROPOSED AMENDMENT TO THE CONSTITUTION

Sec. 9. **(a)** A State Board of Equalization, consisting of one member from each ~~Congressional District~~ **of the five equalization districts** in this State, ~~as the same existed in eighteen hundred and seventy-nine,~~ **as said districts are defined in this section or may be redefined pursuant to this section,** shall be elected by the qualified electors of their respective districts, ~~at the general election to be held in the year one thousand eight hundred and eighty-six, and at each gubernatorial election thereafter, whose term of office shall be for four years, whose duty it shall be to equalize the valuation of the taxable property in the several counties of the State for the purposes of taxation. The Controller of State shall be ex officio a member of the Board.~~ **as hereinafter provided.**

(b) The boards of supervisors of the several counties of the State shall constitute boards of equalization for their respective counties, ~~whose duty~~ **and** it shall be **the duty of said boards of equalization** to equalize the valuation of the taxable property in ~~the county~~ **their respective counties** for the purpose**s** of taxation, ~~provided, such State and~~. **The** county boards of equalization are hereby authorized and empowered, under such rules of notice as ~~the County Boards may prescribe, as to the county assessments, and under such rules of notice as the State Board may prescribe as to the action of the State Board~~ **may be prescribed by law,** to increase or lower ~~the entire assessment roll, or any assessment contained therein~~ **the valuation of any property contained in the assessment rolls of their respective counties, except property assessed by the State Board of Equalization**, so as to equalize the assessment of the property contained in said assessment roll**s**. ~~; and make the assessment conform to the true value in money of the property contained in said roll; provided, that no Board of Equalization shall raise any mortgage, deed of trust, contract, or other obligation by which a debt is secured, money, or solver~~

~~credits, above its face value.~~ The State Board of Equalization is hereby authorized and empowered under such rules as may be prescribed to increase or lower the entire assessment roll of any county.

(c) The State is hereby divided into five equalization districts defined and constituted as follows:

1. First District. The counties of San Mateo, Santa Clara, Santa Cruz, San Benito, Monterey, San Luis Obispo, Santa Barbara, Ventura and the City and County of San Francisco shall constitute the first equalization district.

2. Second District. The counties of Alameda, Contra Costa, San Joaquin, Sacramento, Stanislaus, Merced, Madera, Fresno, Kings, Tulare, Kern, Inyo, Mono, Mariposa, Tuolumne, Calaveras, Amador and Alpine shall constitute the second equalization district.

3. Third District. The counties of Del Norte, Siskiyou, Modoc, Lassen, Shasta, Trinity, Humboldt, Mendocino, Sierra, Tehama, Plumas, Butte, Glenn, Lake, Colusa, Sutter, Yuba, Nevada, Placer, El Dorado, Yolo, Solano, Napa, Sonoma and Marin shall constitute the third equalization district.

4. Fourth District. The County of Los Angeles shall constitute the fourth equalization district.

5. Fifth District. The counties of San Diego, Imperial, Riverside, Orange and San Bernardino shall constitute the fifth equalization district.

(d) The terms of office of the members of the State Board of Equalization shall be for four years, commencing on the first Monday after the first day of January following their election, and shall continue until their successors have qualified. The members of the ~~present~~ State Board of Equalization representing the four equalization districts existing when this section becomes operative shall continue in office until ~~their successors, as herein provided for, shall be elected and shall qualify.~~ the end of their terms. On or after the date when this section becomes operative, the Governor shall appoint a board member from the fifth district who shall hold office until the first Monday after the first day of January in 1947, and until his successor has qualified. In the event a vacancy occurs in the State Board of Equalization, the Governor shall appoint a board member from the equalization district in which the vacancy occurs. Any member so appointed shall hold office for the remainder of the unexpired term as prescribed herein.

(e) All of the provisions of this section are self-executing. The Legislature ~~shall have power to redistrict the State into four districts as nearly equal in population as practical~~, two-thirds of all of the members elected to each of the two houses voting in favor thereof, may redefine the five equalization districts defined herein. ~~; and to provide for the elections of members of said Board of Equalization.~~

(f) The provisions of this section shall become operative on February 1, 1943.

RATES OF INTEREST ON LOANS AND JUDGMENTS. Assembly Constitutional Amendment 28. Amends first paragraph of section 22 of Article XX, Constitution. Declares rate of interest on loan or forbearance of any money, goods or things in action, or on accounts after demand, 7 percent per annum, but parties thereto may contract in writing for interest rate not exceeding 10 percent per annum. Declares interest rate on court judgments 5 percent per annum.

14

YES	
NO	

Assembly Constitutional Amendment No. 28—A resolution to propose to the people of the State of California an amendment to the first paragraph of Section 22 of Article XX of the Constitution of the State, relating to the legal rate of interest on loans.

Resolved by the Assembly, the Senate concurring, That the Legislature of the State of California, at its Fifty-fourth Regular Session, commencing on the sixth day of January, 1941, two-thirds of all of the members of the Legislature voting in favor thereof, hereby proposes to the people of the State of California that the first paragraph of that Section 22 of Article XX of the Constitution of said State which relates to the legal rate of interest be amended to read as follows:

(This proposed amendment expressly amends an existing section of the Constitution; therefore, EXISTING PROVISIONS proposed to be DELETED are printed in STRIKE-OUT TYPE; and NEW PROVISIONS proposed to be INSERTED are printed in BLACK-FACED TYPE.)

PROPOSED AMENDMENT TO THE CONSTITUTION

Sec. 22. The rate of interest upon the loan or forbearance of any money, goods or things in action, or on accounts after demand ~~or judgment rendered in any court of the State,~~ shall be 7 per cent per annum, and upon any judgment rendered in any court of this State shall be 5 per cent per annum; but it shall be competent for the parties to any loan or forbearance of any money, goods or things in action to contract in writing for a rate of interest not exceeding 10 per cent per annum.

15	**SUPREME AND APPELLATE COURT PROCEDURE. Assembly Constitutional Amendment 55.** Amends section 4c, adds sections 4d and 5a, Article VI, Constitution. Empowers Supreme Court to transfer to itself cause pending before District Court of Appeal; to retransfer cause pending before itself to division of District Court of Appeal from which received; and to extend, within prescribed limits, the time for granting or denying a hearing in such cases. Empowers District Courts of Appeal, and appellate department of Superior Court, to certify questions of law to Supreme Court, but permits latter to return same without determination.	YES NO

Assembly Constitutional Amendment No. 55—A resolution to propose to the people of the State of California an amendment to the Constitution of said State by amending Section 4c of, and adding Sections 4d and 5a to Article VI thereof, relating to the judicial department.

Resolved by the Assembly, the Senate concurring, That the Legislature of the State of California, at its Fifty-fourth Regular Session commencing on the sixth day of January, 1941, two-thirds of all the members elected to each of the two houses of said Legislature voting in favor thereof, hereby proposes to the people to amend the Constitution of said State as follows:

(This proposed amendment expressly amends an existing section of and adds new sections to the Constitution; therefore, EXISTING PROVISIONS proposed to be DELETED are printed in STRIKE-OUT TYPE; and NEW PROVISIONS proposed to be INSERTED are printed in BLACK-FACED TYPE.)

PROPOSED AMENDMENT TO THE CONSTITUTION

First: That Section 4c of Article VI be amended to read as follows:

Sec. 4c. The Supreme Court **of its own motion** shall have power to ~~order any cause pending before the supreme court to be heard and determined by a district court of appeal~~ **retransfer any cause pending before it for further consideration by the division of the district court of appeal from which it was received**, and to order any cause pending before a district court of appeal to be heard and determined by the Supreme Court. The order last mentioned may be made before judgment has been pronounced by a district court of appeal, or within 15 days in criminal cases, or 30 days in all other cases, after such judgment shall have become final therein. **The Supreme Court, however, shall have the power to extend, on its own motion, by order duly made prior to the expiration of the jurisdictional time limits herein fixed, the period within which the order granting or denying a hearing in any case may be made, for additional periods of 10 days each, but in any case not to exceed 30 additional days.**

In denying a hearing, the Supreme Court, in its discretion, may modify the order of the appellate court, or may strike from the opinion of the appellate court any portion or portions thereof.

The judgment of the district courts of appeal shall become final therein upon the expiration of 15 days in criminal cases, or 30 days in all other cases, after the same shall have been pronounced.

The Supreme Court shall have power to order ~~causes~~ **questions** pending before a district court of appeal for one district to be transferred to the district court of appeal for another district, or from one division thereof to another, for hearing a decision.

Second: That Section 4d be added to Article VI to read as follows:

Sec. 4d. Each district court of appeal, or division thereof, shall have the power to certify to the Supreme Court questions of law involved in causes pending before it. The Supreme Court may either certify to the district court of appeal its determination upon such questions of law so certified to it, or may order such questions returned to the district court of appeal without determination.

Third: That Section 5a be added to Article VI to read as follows:

Sec. 5a. An appellate department of a superior court shall have power, upon the concurrence of all the judges of said department, to certify to the Supreme Court questions of law involved in causes pending before it. The Supreme Court may either certify to the appellate department of the superior court its determination upon such questions of law so certified to it, or may order such questions returned to the appellate department of the superior court without determination.

16	**DECISIONS BY ADMINISTRATIVE OFFICERS. Senate Constitutional Amendment 8.** Adds section 1b to Article IV, Constitution. Legislature may empower administrative officers to decide law or facts establishing jurisdiction; forbid court annulling findings supported by substantial evidence; authorize judicial review, prescribing court's jurisdiction, Supreme Court's jurisdiction subject to section 4c, Article IV; only Supreme Court reviewing Railroad Commission's decisions, only appellate court Industrial Accident Commission's decisions. Forbids court annulling decisions of fact, supported by sufficient evidence, by administrative agencies on municipal affairs, when declared final by city or county charter or ordinance thereunder. Like powers in other cities or counties unaffected.	YES	
		NO

Senate Constitutional Amendment No. 8—A resolution to propose to the people of the State of California an amendment to the Constitution of said State by adding Section 1b to Article IV thereof, relating to the power of the Legislature or the people (1) to confer power on administrative officers, boards or commissions to make decisions, and (2) to provide for appropriate judicial review of such decisions.

Resolved by the Senate, the Assembly concurring, That the Legislature of the State of California, at its Fifty-fourth Regular Session commencing on the xth day of January, 1941, two-thirds of all the members elected to each of the two houses of said Legislature voting in favor thereof, hereby proposes to the people of the State of California that Section 1b be added to Article IV of the Constitution, to read as follows:

(This proposed amendment does not expressly amend any existing section of the Constitution, but adds a new section thereto; therefore, the provisions thereof are printed in BLACK-FACED TYPE to indicate that they are NEW.)

PROPOSED AMENDMENT TO THE CONSTITUTION

Sec. 1b. Nothing in this Constitution shall be construed as denying to the Legislature power to vest in administrative officers, boards, commissions or agencies authority to decide, in the first instance, any questions of law or fact upon which the exercise of any function conferred upon them by law depends or power to provide that a finding of fact made by any administrative officer, board, commission or agency in the exercise of his or its functions shall not be set aside by any court if there is substantial evidence to support it. When any city or city and county, which has adopted or shall adopt a charter in pursuance of this Constitution, has provided or shall provide by charter, by any amendment thereof, or by ordinance, that decisions of questions of fact made by any administrative officer, board, commission or agency in respect to municipal affairs shall be final, no court of this State shall have power to set aside such finding of fact if there is substantial evidence to support it. Nothing in this section shall be construed as limiting the power of any county, city, or city and county under this Constitution to make and enforce within its limits local, police, sanitary and other regulations and, when not in conflict with general law, to provide by ordinance that decisions of questions of fact made by any administrative officer, board, commission or agency shall be final.

The Legislature is hereby vested with plenary power, unlimited by any provision of this Constitution except as provided in this section, to prescribe procedures by which judicial review of decisions of administrative officers, boards, commissions or agencies may be obtained and the scope of review which the reviewing court may give, including power to make any prescribed review either alternative to or exclusive of any review the courts are now authorized to give, and for these purposes the Legislature shall have plenary power to enlarge or restrict the jurisdiction of any court of this State; provided, however, that any enlargement of the original jurisdiction of the Supreme Court shall be subject to the power given that court by Section 4c of Article VI of this Constitution. Review by any court of any administrative decision may be reviewed in any higher court in the manner and to the extent that the Legislature may prescribe.

No court of this State except the Supreme Court shall have power to review any order or decision of the State Railroad Commission; and no court of this State except an appellate court shall have power to review any decision or award of the Industrial Accident Commission.

17	**STATE TREASURER TRUSTEE OF CERTAIN STATE MONEYS.** **Senate Constitutional Amendment 15.** Adds section 29 to Article IV, Constitution. Legislature may require State money controlled by State agencies or departments or collected under State authority be held in trust by State Treasurer before deposit in State Treasury by such agency or department as required by law. Excepts moneys controlled or collected by Regents of University of California. Money held in trust may be disbursed by Treasurer on order of agency or department or deposited in banks to same extent as money in State Treasury.	YES NO

Senate Constitutional Amendment No. 15—A resolution to propose to the people of the State of California an amendment to the Constitution by adding Section 29 to Article IV of the Constitution, relating to State money.

Resolved by the Senate, the Assembly concurring, That the Legislature of the State of California, at its Fifty-fourth Regular Session commencing on the sixth day of January, 1941, two-thirds of all the members elected to each of the two houses of said Legislature voting in favor thereof, hereby proposes to the people of the State of California that the Constitution of said State be amended as follows:

Section 29 is hereby added to Article IV of the Constitution, to read as follows:

(This proposed amendment does not expressly amend any existing section of the Constitution, but adds a new section thereto; therefore, the provisions thereof are printed in BLACK-FACED TYPE to indicate that they are NEW.)

PROPOSED AMENDMENT TO THE CONSTITUTION

Sec. 29. The Legislature may provide that any money belonging to the State in the control of any State agency or department or collected under the authority of this State from any source whatever other than money in the control of or collected by The Regents of the University of California shall be held in trust by the State Treasurer prior to its deposit in the State Treasury by the State agency or department as may be required by law. Any money held in trust may be disbursed by the State Treasurer upon the order of the State agency or department in the manner permitted by law and mon held in trust may be deposited in banks to the san extent that money in the State Treasury may be deposited in banks.

18	**REAPPORTIONMENT COMMISSION. Assembly Constitutional Amendment 6.** Amends Constitution, Article IV, section 6. Substitutes State Controller in place of Surveyor General as member of the Reapportionment Commission created to reapportion Assembly and Senatorial Districts should Legislature fail to do so following each Federal census. In other respects reenacts present provisions of section 6 relating to such reapportionment.	YES NO

Assembly Constitutional Amendment No. 6—A resolution to propose to the people of the State of California to amend Section 6 of Article IV of the State Constitution, relating to the membership of the Reapportionment Commission.

Resolved by the Assembly, the Senate concurring, That the Legislature of the State of California at its Fifty-fourth Regular Session commencing on the sixth day of January, 1941, two-thirds of the members elected to each of the two houses of the Legislature voting therefor, hereby proposes to the people of the State of California that Section 6 of Article IV of the Constitution of the State be amended to read as follows:

(This proposed amendment expressly amends an existing section of the Constitution; therefore, EXISTING PROVISIONS proposed to be DELETED are printed in STRIKE-OUT TYPE; and NEW PROVISIONS proposed to be INSERTED are rinted in BLACK-FACED TYPE.)

PROPOSED AMENDMENT TO THE CONSTITUTION

Sec. 6. For the purpose of choosing members of the Legislature, the State shall be divided into 40 Senatorial and 80 Assembly districts to be called Senatorial and Assembly districts. Such districts shall be composed of contiguous territory, and Assembly districts shall be as nearly equal in population as may be. Each Senatorial district shall choose one Senator and each Assembly district shall choose one member of Assembly. The Senatorial districts shall be numbered from one to 40, inclusive, in numerical order, and the Assembly districts shall be numbered from one to 80 in the same order, commencing at the northern boundary of the State and ending at the southern boundary thereof. In the formation of Assembly districts no county, or city and county, shall be divided, unless it contains sufficient population within itself to form two or more districts, and in the formation of Senatorial districts no county, or city and county, shall be divided, nor shall a part of any county, or of any city and county, be united with any other county, or city and county, in forming any Assembly or Senatorial district. The census taken under the direction of the Congress of the United States in the year 1920, and every 10 years thereafter, shall be the basis of fixing and adjusting the legislative districts; and the Legislature shall, at its first regular session following the adoption of this section and thereafter at the first regular session following each decennial Federal census, adjust such districts, and reapportion the representation so as to preserve the Assembly districts as nearly equal in population as may be; but in the formation of Senatorial districts no county or city and county shall contain more than one Senatorial district, and the counties of small population shall be grouped in districts of not to exceed three counties in any one Senatorial district; provided, however, that should the Legislature at the first regular session following the adoption of this section or at the first regular session following any decennial Federal census fail to reapportion the Assembly and Senatorial districts, a Reapportionment Commission, which is hereby created, consisting of the Lieutenant Governor, who shall be chairman, and the Attorney General, ~~Surveyor General~~ **State Controller**, Secretary of State and State Superintendent of Public Instruction, shall forthwith apportion such districts in accordance with the provisions of this section and such apportionment of said districts shall be immediately effective the same as if the act of said Reapportionment Commission were an act of the Legislature, subject, however, to the same provisions of referendum as apply to the acts of the Legislature.

Each subsequent reapportionment shall carry out these provisions and shall be based upon the last preceding Federal census. But in making such adjustments no persons who are not eligible to become citizens of the United States, under the naturalization laws, shall be counted as forming a part of the population of any district. Until such districting as herein provided for shall be made, Senators and Assemblymen shall be elected by the districts according to the apportionment now provided for by law.

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MANNER IN WHICH PROPOSED CONSTITUTIONAL AMENDMENTS AND OTHER MEASURES WILL BE DESIGNATED AND APPEAR ON THE BALLOT

1	**PROHIBITING "HOT CARGO," "SECONDARY BOYCOTT." Referendum against Act of Legislature (Chapter 623, Statutes 1941).** Declares unlawful "hot cargo" and "secondary boycott," allowing person injured injunction and damages. Defines "hot cargo" as combination or agreement resulting in employer's or employee's refusal to handle goods or perform services because of another employer's labor dispute or contract; "secondary boycott" as combination or agreement to cease performing services or cause any employer loss to induce him to refrain from business with another employer because of latter's labor dispute. Act effective to May 1, 1943, or during proclaimed national emergency or war.	YES NO
2	**ANNUAL LEGISLATIVE SESSIONS AND BUDGETS. Senate Constitutional Amendment 7.** Amends Constitution, Article IV, sections 2 and 34. Requires annual sessions of Legislature, unless Governor in interim convenes Legislature in extraordinary session; all sessions, except extraordinary, commencing first Monday in March and continuing not exceeding 60 days; members' compensation, provided by section 23 same Article, paid during regular session as provided by law. Requires Governor, within first five days of each regular session, submit to Legislature budget for next fiscal year instead of next biennium as now required; in other respects continues existing provisions of section 34 relating to State budgets.	YES NO
3	**BASIC SCIENCE ACT. Initiative.** Creates Board of Examiners in basic sciences (naming five sciences) comprising five members with prescribed qualifications appointed by Governor. Requires persons obtain basic science certificate from said Board after written examination before applying to Medical, Dental, Osteopathic or Chiropractic Boards, or other governmental authority, for license to practice healing art (defining same) or any phase thereof. Exempts various professions, present licensees and persons treating sick by prayer in practice of any well-recognized religion. Prescribes examination fees, penalties for violations and disposition of fines, requiring proceeds therefrom used for administering Act. Declares existing statutes not repealed.	YES NO
4	**PERSONAL INCOME TAX LAWS. Initiative Constitutional Amendment.** Amends Constitution, Article XIII, section 11. Declares no law imposing income tax on natural persons, or their estates or trusts shall be valid unless approved by majority of voters after initiative proceedings therefor or after submission thereto at next general election following its passage by two-thirds of all members of each House of Legislature. Repeals 1935 Personal Income Tax Act, Chapter 329, Statutes 1935, and similar personal income tax laws enacted in manner inconsistent therewith, preserving liability for accrued taxes.	YES NO

5	**COMPENSATION OF LEGISLATIVE MEMBERS INCREASED. MILEAGE MAXIMUM FIXED. Assembly Constitutional Amendment 2.** Amends Constitution, Article IV, section 23. Legislative members to receive $200 each for each month of term for which elected, payable monthly in even-numbered years, and during regular legislative session in odd-numbered years as may be provided by law; and mileage to be fixed by law not to exceed five cents per mile.	YES NO
6	**BOARD OF FORESTRY ESTABLISHED. Senate Constitutional Amendment 6.** Adds Article XXV to Constitution. Creates Board of Forestry of seven members, appointed by Governor with consent of Senate, to represent State's interest in State forests and Federal land matters pertaining to forestry, and determine policy of Division of Forestry, which must prepare plan to reduce losses from forest fires, insect pests and forest diseases, provide fire protection and determine best use of uncultivated wild lands. Creates non-civil service office of State Forester as Chief of Division of Forestry. Transfers funds to support of new Board and Division of Forestry.	YES NO
7	**TAXATION OF INSURANCE COMPANIES. Assembly Constitutional Amendment 53.** Adds section 14⅘ to Article XIII, Constitution. Continues through 1942 present taxation provisions affecting insurers. Thereafter taxes insurers, defining same, on annual basis, at rates, and subject to deductions, therein specified, prescribing specifically basis for title insurers. Specifies allowable realty tax deductions through 1946, thereafter prohibiting deductions for taxes paid on real estate owned unless principal office located thereon. Reduces tax rate .05 percent yearly through 1946, prescribing rate of 2.35 percent of annual tax basis thereafter but empowering Legislature to change rate.	YES NO
8	**USE OF FISH AND GAME FUNDS RESTRICTED. Senate Constitutional Amendment 1.** Adds section 25⅝ to Article IV of Constitution. Requires all moneys collected under any State law relating to protection, conservation, propagation or preservation of fish, game, mollusks or crustaceans, and fines and forfeitures imposed for violation of such laws, be used exclusively for such purposes. Empowers Legislature to provide for division of money derived from such fines and forfeitures.	YES NO
9	**COMPENSATION OF SPECIFIED STATE OFFICERS MAY BE CHANGED DURING TERM OF OFFICE. Assembly Constitutional Amendment 61.** Adds section 22 to Article V of Constitution. Compensation of Superintendent of Public Instruction, State Treasurer, State Controller and Secretary of State may be diminished or increased by Legislature during term of office.	YES NO

10	**REORGANIZATION OF BUILDING AND LOAN ASSOCIATIONS. Initiative to Legislature.** Adds Article XVII to Building and Loan Association Act. Authorizes plans for rehabilitation, readjustment, reorganization, consolidation or merger of building and loan associations, and defines classes of associations affected. Requires consents, specifies procedure, and designates securities permitted to be issued. Requires plans be fair, equitable, non-discriminatory and feasible, and approved by superior court after notice and hearing; declares effect of such approval, and requires undertaking on appeal therefrom. Specifies rights and duties of Building and Loan Commissioner. Declares Legislature may amend or repeal Act.	YES NO
11	**BOXING AND WRESTLING MATCHES REGULATED. Senate Constitutional Amendment 13.** Amends Constitution, Article IV, section 25¾. Legislature may regulate wrestling and boxing matches. Limits boxing matches to twelve three-minute rounds, except championship matches may be fifteen rounds if first approved by State Athletic Commission. All moneys derived from license fees, taxes or other means, except legislative appropriations therefrom for administrative costs of Athletic Commission, applied to homes for care of war veterans. Exempts from tax proceeds of matches inuring exclusively to benefit of American Legion or other recognized veterans' organizations. Authorizes Legislature to change Boxing and Wrestling Initiative Act.	YES NO
12	**SCHOOL DISTRICTS, FIFTH AND SIXTH CLASS CITIES MAY ACQUIRE STOCK IN MUNICIPAL WATER COMPANIES. Assembly Constitutional Amendment 19.** Amends Constitution, Article IV, section 31c. School districts and cities of fifth or sixth class may acquire and hold capital stock of mutual water companies and corporations for purpose of furnishing water for public municipal or school purposes, with rights, powers, privileges, obligations and liabilities of other holders.	YES NO
13	**BOARDS OF EQUALIZATION. Senate Constitutional Amendment 18.** Amends Constitution, Article XIII, section 9. State Board of Equalization to comprise five members, each elected from one of five equalization districts. Eliminates Controller from Board. Specifies counties comprising each district, permitting Legislature by two-thirds vote to redefine districts. Member's term four years; those serving when section becomes operative continue for balance of term, Governor appointing member from fifth district to hold until January, 1947. Reenacts, substantially unchanged, present provisions constituting boards of supervisors equalization boards in their respective counties, but without power to alter property valuation assessed by State Board.	YES NO

14 **RATES OF INTEREST ON LOANS AND JUDGMENTS.** **Assembly Constitutional Amendment 28.** Amends first paragraph of section 22 of Article XX, Constitution. Declares rate of interest on loan or forbearance of any money, goods or things in action, or on accounts after demand, 7 percent per annum, but parties thereto may contract in writing for interest rate not exceeding 10 percent per annum. Declares interest rate on court judgments 5 percent per annum.

YES	
NO	

15 **SUPREME AND APPELLATE COURT PROCEDURE.** **Assembly Constitutional Amendment 55.** Amends section 4c, adds sections 4d and 5a, Article VI, Constitution. Empowers Supreme Court to transfer to itself cause pending before District Court of Appeal; to retransfer cause pending before itself to division of District Court of Appeal from which received; and to extend, within prescribed limits, the time for granting or denying a hearing in such cases. Empowers District Courts of Appeal, and appellate department of Superior Court, to certify questions of law to Supreme Court, but permits latter to return same without determination.

YES	
NO	

16 **DECISIONS BY ADMINISTRATIVE OFFICERS.** **Senate Constitutional Amendment 8.** Adds section 1b to Article IV, Constitution. Legislature may empower administrative officers to decide law or facts establishing jurisdiction; forbid court annulling findings supported by substantial evidence; authorize judicial review, prescribing court's jurisdiction, Supreme Court's jurisdiction subject to section 4c, Article IV; only Supreme Court reviewing Railroad Commission's decisions, only appellate court Industrial Accident Commission's decisions. Forbids court annulling decisions of fact, supported by sufficient evidence, by administrative agencies on municipal affairs, when declared final by city or county charter or ordinance thereunder. Like powers in other cities or counties unaffected.

YES	
NO	

17 **STATE TREASURER TRUSTEE OF CERTAIN STATE MONEYS.** **Senate Constitutional Amendment 15.** Adds section 29 to Article IV, Constitution. Legislature may require State money controlled by State agencies or departments or collected under State authority be held in trust by State Treasurer before deposit in State Treasury by such agency or department as required by law. Excepts moneys controlled or collected by Regents of University of California. Money held in trust may be disbursed by Treasurer on order of agency or department or deposited in banks to same extent as money in State Treasury.

YES	
NO	

18 **REAPPORTIONMENT COMMISSION.** **Assembly Constitutional Amendment 6.** Amends Constitution, Article IV, section 6. Substitutes State Controller in place of Surveyor General as member of the Reapportionment Commission created to reapportion Assembly and Senatorial Districts should Legislature fail to do so following each Federal census. In other respects reenacts present provisions of section 6 relating to such reapportionment.

YES	
NO	

CERTIFICATE OF SECRETARY OF STATE

State of California, Department of State
Sacramento, California

I, Paul Peek, Secretary of State of the State of California, do hereby certify that the foregoing eighteen measures will be submitted to the electors of the State of California at the general election to be held throughout the State on the third day of November, 1942.

Witness my hand and the great seal of State, at office in Sacramento, California, the fifteenth day of September, A.D. 1942.

Secretary of State