

AN ACT

TO BE SUBMITTED TO THE LEGAL VOTERS OF THE STATE OF WASHINGTON FOR THEIR APPROVAL OR REJECTION

AT THE

GENERAL ELECTION

TO BE HELD

On Tuesday, the Third day of November, 1914,

Proposed by Initiative Petition No. 7, filed in the office of Secretary of State, July 3, 1914, commonly known as Abolishing Bureau of Inspection and Supervision of Public Offices Measure.

(Will appear on the official ballot in the following form)

PROPOSED BY INITIATIVE PETITION

INITIATIVE MEASURE NO. 7, entitled "An act abolishing the bureau of inspection and supervision of public offices, vesting in the state auditor all the powers and duties of such bureau, and requiring the state auditor to prepare a balance sheet showing the operations, transactions, receipts and expenses of each department and institution of the state."

FOR Initiative Measure No. 7.....

AGAINST Initiative Measure No. 7.....

Initiative Measure No. 7.

BALLOT TITLE

"An act abolishing the bureau of inspection and supervision of public offices, vesting in the state auditor all the powers and duties of such bureau, and requiring the state auditor to prepare a balance sheet showing the operations, transactions, receipts and expenses of each department and institution of the state."

AN Act vesting in the state auditor all the powers and duties of the Bureau of Inspection and Supervision of Public Offices, requiring him to prepare a general balance sheet showing the receipts and expenditures of each department of state government, abolishing the Bureau of Inspection and Supervision of Public Offices and repealing sections 8352 and 8356 of Remington and Ballinger's Annotated Codes and Statutes of Washington as amended by chapter 30, Session Laws of 1911.

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

SECTION 1. The state auditor shall have the power and it shall be his duty to exercise all the powers and perform all the duties now vested in and required to be performed by the Bureau of Inspection and Supervision of Public Offices.

SEC. 2. It shall be the duty of the state auditor to list and marshal all the assets of the State of Washington showing the amounts invested in the various educational, penal, reforma-

tory and eleemosynary institutions of whatever kind and character belonging to the state, and shall prepare a balance sheet showing the cost of operating the several institutions and all departments of the state government, whether executive, legislative or judicial, the income derived from whatever sources and the expenses in carrying on the same. For this purpose the state auditor is hereby authorized and directed to require from any department or executive of the state a balance sheet showing its operation, which shall be prepared by the department or executive at the expense of such department or executive. Thereupon a consolidated balance sheet shall be prepared by the state auditor showing clearly the operations, transactions, revenues and expenses of the state. Such balance sheet shall be submitted to the governor annually and to the legislature at the beginning of each regular session and published in a report separate from the regular report of the state auditor.

SEC. 3. The state auditor shall employ not to exceed three expert ac-

countants to be termed traveling auditors at a compensation not to exceed eighteen hundred dollars a year each, together with necessary traveling expenses to be paid as other employees of his office to assist him in carrying out the provisions of this act.

SEC. 4. Should the courts declare any section or provision of this act inoperative or unconstitutional, such decision shall not affect any other section or provision of this law.

SEC. 5. The Bureau of Inspection and Supervision of Public Offices is hereby abolished. Sections 8352 and 8356 of Remington and Ballinger's Annotated Codes and Statutes of Washington as amended by chapter 30, Session Laws of 1911 and all acts and parts of acts in conflict with this act are hereby repealed.

STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State, January 30, 1914.

I. M. HOWELL, Secretary of State.

Argument Against Initiative Measure No. 7.

The Bureau of Inspection and Supervision of Public Offices is the only safeguard between the taxpayers and the official who spends the taxpayer's money. It is the only authority empowered to check receipts and disbursements of public funds and insure proper accounting of the same.

The examinations to April 1, 1914, revealed the following: Illegal claims, officers contracting with themselves in counties, cities and towns, school and road districts, \$739,745.00; shortages, \$603,993.69; interest on bank deposits not collected, \$5,975.83; total, \$1,349,714.52. Of this the bureau collected \$289,954.57 in cash and returned it to the public treasury. Cost of audits to April 1, 1914, \$220,219.30. Amount recovered over cost of audit, \$69,735.27. The uncollected claims are now in the hands of the Attorney General.

Many illegal practices were uncovered. Licenses, franchise taxes and many other revenues were not collected, embezzlements, forgeries and padded payrolls were found and a lack of system everywhere. Where contractors had been paid with local improvement bonds they had illegally received in three years \$340,000 of accrued interest earned by the bonds before the contractor was entitled to payment. This practice has been stopped and suits are pending for the recovery of the amounts not already collected.

The bureau was organized June 10, 1909. The warrant debt of the school districts at that time was \$3,212,856.95. With an average attendance of 142,275 pupils, this made a per capita warrant debt of \$22.58. Through its efforts this debt has been reduced to \$2,039,589.15, with an average attendance of 169,441 pupils or a per capita debt of \$12.03.

It found over \$1,600,000.00 road warrants issued in excess of legal limitations. Provision was made for the retirement of this debt and a limit fixed, which the bureau enforces, and road indebtedness is a thing of the past. Interest saved on these two items alone amounts to more than \$166,000.00 per annum.

There are 56 state departments and institutions, 2654 school districts, 39 counties, 204 cities and towns, 72 townships, 272 road districts, 4 port districts, and numerous drainage and diking districts, besides several thousand local improvement districts. The law requires that townships, cities, towns

and school districts shall be audited "at least once in every two years and all other examinations shall be made at least once a year." A full report of each examination must be filed with the accounting officer of the district examined, the State Auditor and the Attorney General. Uniform systems of accounting must be maintained in all offices of the same class and comparative statistics must be compiled and published annually.

Under Initiative Measure No. 7 all the foregoing duties remain unchanged under the direction of the state auditor but must be performed with the ridiculous force of three clerks.

Over 18,000 examinations have been made, or 4,500 per year. This for three men would make 1,500 examinations a year, or five for every working day, a manifest absurdity.

The deterrent effects of thorough auditing, such as this bureau is making, upon the office holder of weak moral fibre who is subject to the common temptations of human nature in positions of trust should never be lost sight of. Though intangible they are almost incalculable.

DO YOU WISH TO RETURN TO THE OLD CONDITIONS?

DO YOU WANT CONTRACTORS TO GET UNEARNED INTEREST ON BONDS?

DO YOU WANT PUBLIC OFFICIALS CONTRACTING WITH THEIR OWN DISTRICTS?

DO YOU WANT PUBLIC FUNDS DEPOSITED IN BANKS WITHOUT INTEREST?

DO YOU WANT TO SEE ILLEGAL ROAD WARRANTS ISSUED AGAIN?

DO YOU WANT YOUR SCHOOL DIRECTORS TO INCUR ILLEGAL DEBT?

DO YOU WISH YOUR CITY OR YOUR TOWN GOING INTO DEBT BEYOND THE LEGAL LIMIT?

DO YOU WANT PUBLIC FUNDS SPENT FOR POLITICAL PATRONAGE?

IF YOU DO NOT, VOTE "NO" ON NO. 7.

BUILDING OWNERS' & MANAGERS' ASSN. OF SEATTLE.

By F. T. BRADLEY, *Secretary*.

STATE OF WASHINGTON—ss.
Filed in the office of the Secretary of State, July 23, 1914.
I. M. HOWELL, Secretary of State.

Argument Against Initiative Measure No. 7.

SUBMITTED BY TAXPAYERS ASSOCIATION OF TACOMA.

Initiative Measure No. 7 would abolish the Bureau of Inspection and Supervision of Public Offices.

It does not change that part of the law which prescribes the duties to be performed by the Bureau. The work remains the same.

It takes 3 members of the Bureau and 20 state examiners to do the work required by the law. The initiative measure proposes to have this work done by not more than three men who will each get a salary of not more than \$1800 per year and traveling expenses. On its face this looks like a saving, but it is in fact simply a waste of funds.

The law requires that over 4000 taxing districts, not counting local improvement districts, must be examined each year. How can this be done by 3 men. The initiative measure is absurd when you consider it as a practical instrument.

Remember that these examinations are not a mere checking of accounts for that part of the law which remains unchanged provides "On every such examination inquiry shall be made as to the financial condition and resources of the taxing district; whether the constitution and statutory laws of the state, the ordinances and orders of the taxing district and the requirements of the bureau of inspection and supervision of public offices have been properly complied with and into the methods and accuracy of the accounts and reports."

Initiative Measure No. 7 destroys the whole law by making it impossible of being enforced.

Do you want to know whether the constitution and statutory laws of the state or the ordinances of your city are being properly complied with? The present Bureau law gives you that opportunity. Vote for Initiative Measure No. 7 and you destroy the means of getting that information.

The politician wants the Bureau abolished. Why? Because he doesn't want you to know how he is obeying the constitution or statutory laws of the state.

When you hear an office holder talking about abolishing the Bureau, look up his record.

The present Bureau law affords the only medium through which the taxpayer and voter can secure information as to the manner in which the public business is being conducted.

It is the only safeguard afforded the taxpayer.

Initiative Measure No. 7 takes away the one Bureau that is of benefit to the public.

NOW LISTEN. They will tell you that the measure will save money for the taxpayers. Don't be fooled. For every dollar that the Bureau has cost it has saved hundreds for the public.

It has performed grand service in cutting off graft and waste. That is why the politician wants it abolished.

Taxpayers Association of Tacoma is a voluntary non-partisan organization of Pierce County whose members pay over half of the taxes raised in Pierce County.

For every dollar that the Bureau has cost in Pierce County the members of this Association pay more than half. This association devotes all its time to the problems of reducing taxes.

It feels that this question is so important that it is paying \$200 out of its funds in order that it may have a page in this book to ask the voter to vote against this measure.

This association does not concern itself with politics and is not taking part in any controversy as to any other initiative measure.

Initiative Measure No. 7 is against the interest of the taxpayer.

VOTE AGAINST IT.

TAXPAYERS ASSOCIATION
OF TACOMA

By J. T. S. LYLE, Secretary.

STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State, July 23, 1914.

I. M. HOWELL, Secretary of State.