

# Initiative Measure No. 119

## BALLOT TITLE

AN ACT creating Production for Use Districts to manufacture, grow, buy and otherwise acquire goods, wares, commodities and products, to furnish services of every nature except electricity and water, and establishing a State Production for Use Commission to purchase or otherwise acquire such products and services; authorizing a tax levy, exercise of eminent domain, issuance of certificates of exchange, general obligation and revenue bonds, creating a revolving fund and appropriating ten million dollars therefor; amending section 1 of chapter 95 of the Laws of 1933, relating to nomination of district commissioners, and repealing acts or parts thereof inconsistent therewith.

### PRODUCTION FOR USE ACT OF 1936

AN ACT designed to establish a production for use program for unemployed and other inhabitants of the State of Washington; creating four municipal corporations designated production for use districts; defining their powers, including powers to produce, grow, acquire in any manner and to sell goods, commodities and property of all kinds, and to furnish all kinds of services, excluding water and electricity, to levy taxes, to exercise eminent domain, to issue bonds; creating offices of three commissioners in each of such districts and providing for their election and salaries; amending Section 1, Chapter 95 of the Laws of 1933 relative to the nomination of certain officers; creating a State Production for Use Commission; defining its powers, including powers to acquire all products and property of all kinds tendered to it by the production for use districts, and to distribute and market same, to issue bonds and to levy taxes; exempting the State of Washington from liability; creating a revolving fund and making an appropriation therefor; providing for the issuance of certificates of exchange and the redemption thereof; defining crimes and providing penalties therefor; requiring the Director of Business Control to purchase commodities and supplies from the State Commission; regulating the employment of persons

by each commission and making the Workman's Compensation Act applicable thereto; and repealing all laws in conflict herewith.

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

SECTION 1. A crisis confronts the people of the State of Washington. The severe decline which privately owned business suffered in 1929 has become progressively more acute. Almost one-third of our population are dependent for their livelihood upon government relief, private charity, or federal work projects of a temporary nature, providing inadequate wages. Diseases resulting from malnutrition, want, and exposure have been spreading widely among the unemployed, the project workers, and their families.

Those still privately employed have suffered reductions in wages, even while being subjected to steadily increasing taxation. Sharply reduced purchasing power has curtailed all business activity. Our farmers have been deprived of an adequate market for their products, and have been rendered unable to maintain proper living standards.

Every available palliative measure has been tried, and has failed. Discontent, social unrest, and incipient insurrection exist.

It is necessary that a planned economy be established, based upon production for use rather than for profit. Within the state are idle lands, factories, and vast natural resources. Many thousands of people, now unemployed, are able and willing to do productive

## Initiative Measure No. 119

labor. It is the purpose of this act to provide for the organization of these unused productive forces and for the development of our natural resources, in order to afford employment and economic security for all. The provisions of this act are to be liberally construed to effectuate this purpose.

SEC. 2. This act may be cited as the Production For Use Act of 1936.

SEC. 3. There are hereby created four municipal corporations, which shall be called production for use districts. Production For Use District No. 1 shall consist of the area included in the following counties: Whatcom, Skagit, San Juan, Island, Snohomish, Kitsap, and King. Production For Use District No. 2 shall consist of the area included in the following counties: Clallam, Jefferson, Mason, Thurston, Pierce, Grays Harbor, Pacific, Wahkiakum, Lewis, Cowlitz, Clark, and Skamania. Production For Use District No. 3 shall consist of the area included in the following counties: Okanogan, Chelan, Douglas, Kittitas, Grant, Yakima, Klickitat, and Benton. Production For Use District No. 4 shall consist of the area included in the following counties: Ferry, Stevens, Pend Oreille, Lincoln, Spokane, Adams, Whitman, Franklin, Walla Walla, Columbia, Garfield, and Asotin.

SEC. 4. The production for use districts shall have power to manufacture, produce, process, grow, buy, and otherwise acquire goods, wares, commodities and products of every kind, and to furnish services of every nature, excluding electricity and water.

In order to carry out the above-stated principal power, the districts shall have power, except as in this act otherwise provided, to do anything which a private person may lawfully do, including but not limited to the following powers: to buy, sell, lease and acquire in any manner and to mortgage or otherwise encumber title or right to possession or enjoyment of real and personal property of all kinds; to enter into all forms and types of contracts; to incur indebtedness, to loan money or credit; to establish, build, buy, lease, acquire, own, maintain, and operate clothing factories, shoe factories, factories and production plants of every kind, farms, fisheries, dairies, canneries and processing plants for fruits, vegetables, grains,

foods, meats, fish and dairy and farm products, warehouses, logging camps, lumber mills, pulp and paper mills, fuel yards, brick-yards, lumber yards, mines and mills of all kinds, gas and oil wells and refineries, cement plants and transportation systems and facilities; to establish and operate hospitals; to establish offices, branches, agencies and subsidiary corporations, to hire employees and engage agents; to design and use an official seal; to levy taxes, issue warrants and exercise eminent domain as herein provided.

The production for use districts shall have power to raise revenue by levy of an annual tax on all taxable property within the district area; the total levy for any one year, however, not to exceed eight mills of the assessed valuation of said property. The amount of the levy shall be certified by the district commission to the State Board of Equalization, shall be apportioned by said Board among the several counties of the district as taxes for general state purposes are apportioned and shall be further certified and collected in the same manner provided hereinafter for the tax levied by the State Commission; but the moneys collected shall, upon their receipt by him, be transferred by the state treasurer to the various production for use districts. The districts are authorized, prior to receipt of moneys raised by such levy, to borrow money or issue warrants in anticipation of revenues, limiting such borrowings or warrants to the amount of the anticipated revenues of one year.

Whenever any district commission shall be unable to agree with the owner of any land, real estate, premises or other property, for its purchase, the production for use district, through its commission, shall have the power of eminent domain by condemnation, to be exercised according to the same procedure and with the same rights outlined in Remington's Revised Statutes, Section 891 to Section 900, for appropriation of property by the state. It shall be the duty of the attorney general to act for the district commissions in such proceedings. The judgment or decree shall vest legal title in the production for use district, and the damage awarded shall be paid by the district concerned.

The district shall not have power to

## Initiative Measure No. 119

issue the certificates of exchange described in Section 10.

The districts shall have power to issue general obligation or revenue bonds bearing interest at a rate not exceeding six per cent per annum. These shall be legal securities, which may be used by any bank or trust company for deposit with the state treasurer or any county or city treasurer as security for deposits in lieu of a surety bond, under any law relating to deposits of public moneys.

The districts shall not incur any indebtedness in excess of five per centum of the assessed value of the taxable property in the district.

The production for use districts shall by resolution designate banks and trust companies in which funds of the district shall be kept, and in the same manner central headquarters of the districts shall be designated. All business of the districts shall be transacted through resolutions which shall be made matters of public record. All disbursements of funds of the respective production for use districts shall be by voucher, signed by the treasurer of the district, and countersigned by an auditor appointed by resolution of the respective district commission. A majority of the district commission shall be necessary for the passage of any resolution. All meetings of the district commissions shall be open to the public.

Except as provided in Section 20, the districts shall have power to sell or dispose in any way of the goods, wares, commodities, products, and services which they have manufactured, produced, processed, grown, or otherwise acquired only to the State Commission hereinafter established, and in payment or return therefor it shall be the duty of the districts to accept the certificates of exchange of the State Commission at face value, whenever the State Commission offers these instead of money. It shall be the policy of each of the District Commissions to extend their production and other facilities to the end that all of the unemployed in the respective districts should be extended employment therein.

SEC. 5. The powers of each production for use district shall be exercised by a district commission, consisting of three district commissioners elected by

the qualified voters of the district. To be eligible, a commissioner must have been a resident of the district for two years. The commissioners shall be: the First Commissioner (who shall be chairman of the district commission), Second Commissioner, and Third Commissioner.

For the purpose of electing the district commissioners first to be elected, a special election shall be held on the second Tuesday in March succeeding the passage of this act. Nominations for this election shall be by petition of one thousand qualified electors of the district area, and the petitions must be filed with the secretary of state at least thirty days before the election. The person receiving the highest number of votes in the district shall take the office of First Commissioner, and shall hold it until the second Monday of January, 1941; the next highest shall take the office of second Commissioner, and shall hold it until the second Monday of January, 1941; the third highest person shall take the office of Third Commissioner, and shall hold it until the second Monday of January, 1939.

Except for the commissioners first elected, candidates for vacancies shall declare and file for the offices of First District Commissioner, Second Commissioner, and Third Commissioner.

The district commissioners elected subsequent to the first special election shall be elected at the general state election next preceding the expiration of the terms of their respective predecessors, and shall hold office for four years from and after the second Monday in January next after their election. All commissioners, including those first elected, shall remain in office until their successors shall have been elected and shall have qualified.

Nominations for district commissioners other than those first elected shall be made at the general primaries preceding general elections. All district commissioners shall be non-partisan and not candidates of any political party. The secretary of state shall design a separate ballot, modelled on the judicial ballot, which shall be used in the primaries, and every voter shall have the privilege of voting for this office alone.

In all respects except as herein provided, there shall be applied to district

## Initiative Measure No. 119

commissioners and to their election, as to declaration of candidacy, filing fee, nomination, qualifications, time, method, and manner of election, expenses of holding elections, recall, and all similar matters, the laws now applicable generally to elective state officers. Vacancies shall be filled by the governor from the eligible electors of the districts, and the appointee shall hold office until the second Monday in January following the first general election after his appointment. At such general election, the successor of the appointee shall be elected, and the person so elected shall hold office during the unexpired term of the commissioner whose disability produced the vacancy.

The salary of the chairman of the district commissions shall be four thousand dollars (\$4000) per year. The salaries of the other district commissioners shall be three thousand, six hundred dollars (\$3600) per year. The salaries shall be paid by the respective districts. One-half shall be paid in certificates of exchange.

Each of the respective district commissions shall organize by electing one of their number as chairman, one as secretary, and one as treasurer, respectively.

Section 1 of Chapter 95 of the Laws of 1933, Remington's Revised Statutes 5180, is hereby amended to read as follows:

"The name of no candidate shall be printed upon the official ballot used at any primary election unless at least thirty (30) and not more than sixty (60) days prior to such primary, a declaration of candidacy shall have been filed by him, as provided by this act, in the following form:

"I, \_\_\_\_\_, declare upon honor that I reside at No. \_\_\_\_\_ Street, \_\_\_\_\_ (city or town of) \_\_\_\_\_, county of \_\_\_\_\_, State of Washington, and as a qualified voter therein, and a member of \_\_\_\_\_ party, that I hereby declare myself a candidate for nomination to the office of \_\_\_\_\_, to be made at the primary election to be held on the \_\_\_\_\_ day of \_\_\_\_\_, and hereby request that my name be printed on the official ballot as provided by law as a candidate of the \_\_\_\_\_

party, and I accompany herewith the sum of \_\_\_\_\_ dollars, the fee required by law of me for becoming such candidate.

"Subscribed this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_.

"Provided, That no person who desires to become a candidate for the office of supreme or superior court judge or justice of the peace or production for use district commissioner shall certify his party affiliations."

SEC. 6. The four chairmen of the production for use districts, together with a fifth person whom the governor shall appoint for a term of four years, shall comprise the Washington State Production For Use Commission, hereinafter referred to as the State Commission. It shall be the duty of the State Commission to purchase or otherwise acquire from the production for use districts title to or possession of the various goods, wares, commodities and products of merchantable quality offered, which the State Commission can market, and to market same. The State Commission shall acquire all commodities and property which it shall distribute and market from the several production for use districts. Without discrimination, the State Commission shall sell the goods, wares, commodities and products at prices such as to cover its costs of handling same; such items shall be included in the computation of costs as are ordinarily included in standard cost accounting, including but not limited to, wages of laborers, payment of interest and principal on outstanding indebtedness, and other fixed charges. All sales by the State Commission shall be for cash or certificates of exchange.

The State Commission shall have all powers necessary or helpful in carrying out the principal duty outlined above, including but not limited to the following powers: to buy, sell, lease and acquire in any manner, and to mortgage or otherwise encumber, title or right of possession or enjoyment of real and personal property of all kinds; to enter into all forms and types of contracts; to incur indebtedness, to loan money or credit; to establish, build, buy, lease, acquire, own, maintain and operate warehouses, transportation and distribution facilities and systems, vehicles, shops, ships, railroads, stores and establishments of all

## Initiative Measure No. 119

kinds for the sale of goods, wares and products to consumers; to levy taxes and to issue bonds and warrants as hereinafter provided; to issue the certificates of exchange and the other instruments described in Section 10; to establish offices, branches, agencies and subsidiary corporations; to hire employees and engage agents; to design and use an official seal.

The State Commission shall have power to cause audit to be made of the books and records of each of the respective district commissions at any reasonable time. The State Commission, on or before January 1 of each year, shall make complete reports showing the financial condition of the State Commission, and of the respective district commissions. Copies of these reports shall be made available to the public in all stores handling the goods and products purchased from the State Commission; and a copy thereof shall be published in a newspaper of general circulation in each of the respective counties of the state once each week for three successive weeks during the month of January.

The State Commission shall have power to sue and be sued in its own name. All suits against the Commission shall be commenced in the Superior Court for Thurston County. Should any judgment or decree be rendered for the recovery of money or damages against the Commission, no execution or attachment shall issue thereon, but the same shall be satisfied in the same manner as is provided for the enforcement of like judgments and decrees against public corporations, pursuant to Remington's Revised Statutes, 953 ff.

The State Commission shall prepare estimates and plans for marketing operations, and shall have power to make recommendations to the production for use districts as to their acquisition and operation of plants, factories, industries, enterprises and establishments of all kinds, and as to co-operation and coordination of their activities; and shall have power to furnish engineering and technical assistance for same.

A majority of the members of the State Commission in office at any one time shall constitute a quorum for the transaction of business. All meetings shall be open to the public. Deeds and

other instruments conveying or affecting the title to real property shall be signed by the chairman of the Commission.

The Commission shall elect one of its members to act as secretary.

The person appointed by the governor shall be chairman of the State Commission, and shall receive a salary of four thousand, five hundred dollars (\$4500) per year, to be paid by the Commission. One-half shall be paid in certificates of exchange.

The State of Washington itself shall not be subject to any liability by reason of any debt contracted or any act done or omitted to be done by the commission, any member thereof, or any of its employees or agents.

SEC. 7. The State Commission shall have power to levy a tax not to exceed two mills on the dollar of assessed valuation each year upon all property in the state subject to taxation. Upon determining the amount necessary to be levied, in order to carry out its duties under this act, it shall notify the State Board of Equalization of the amount of the levy. It shall be the duty of the State Board of Equalization to levy this tax at the time of levying taxes for other state purposes, and thereafter the tax shall be apportioned, certified, and collected as other taxes for state purposes. After being collected as other revenues by the county treasurers, said taxes shall be transmitted by them to the state treasurer and placed by him in the Production For Use Revolving Fund herein established. The State Commission may issue warrants in anticipation of the revenues to be derived during the next ensuing year from said tax levy, and such warrants shall be redeemed from the first tax money so placed in the Revolving Fund.

SEC. 8. The State Commission shall have power to issue and to sell or otherwise transfer bonds payable only out of the Production For Use Revolving Fund, as hereinafter established, in the amount of five million dollars (\$5,000,000), or as much thereof as may be necessary for carrying out the purposes of the State Commission. The bonds shall be signed by the chairman and secretary of the Commission under seal of the Commission, and, if coupon bonds, any coupons attached to such bonds shall be signed by the facsimile

## Initiative Measure No. 119

signature of the secretary. Each such bond may be made payable at any time not exceeding twenty years from the date of its issuance, and shall be redeemable under regulations prescribed by the Commission on any interest payment date prior to maturity, upon payment of the principal thereof, plus accrued interest. Such bonds shall bear interest at a rate not exceeding six per cent (6%) per annum. Any bonds may be registered, as to principal only, in the name of the holder, on presentation to the Commission, under such regulations as the Commission may prescribe. Each bond and any interest coupon thereto attached shall show upon its face that it is payable solely from the Production For Use Revolving Fund, and not otherwise, and that neither the State of Washington nor the Commission nor any member thereof shall incur liability or obligation thereon. All bonds so issued shall not be sold for less than par. The Commission shall exchange said bonds for warehouses, distribution facilities, and other property, pursuant to this act, and regulations promulgated hereunder.

Not less than six per cent (6%) of the bonds issued hereunder shall be retired as to principal each year, commencing not later than three years after the date of issuance of said bonds. If, while any of said bonds remain outstanding, the state should determine to abandon the operation of the program authorized by this act, all moneys and property then under the control of the Commission shall first be applied to the retirement of the bonds then outstanding, with accrued interest thereon, before any of such proceeds are otherwise distributed: *Provided*, That all claims for wages or salaries due from the Commission shall have priority over the bonds, and over every other claim.

SEC. 9. The state treasurer shall create forthwith a fund to be known as the Production For Use Revolving Fund. Into this fund shall be put all moneys appropriated for the purposes of this act, all moneys that are received from the sale of bonds issued by the State Commission, all moneys derived from the operations of the State Commission, and all other moneys or income received from any source by the State Commission. The

state treasurer shall make payment from such fund in such manner and at such time as the Commission shall prescribe.

There is hereby appropriated to the Production For Use Revolving Fund the sum of ten million dollars (\$10,000,000).

SEC. 10. The State Commission is hereby authorized and directed to issue certificates of exchange in such denominations as the Commission shall direct. These certificates shall be properly printed or engraved, and shall be issued by the Commission to persons, corporations, or other associations, and the production for use districts hereby established, in exchange for value received in the form of goods, wares, products, commodities, services and real and personal property of all kinds, to the amount stated on the face of the certificate.

The holder of such certificates shall be entitled to receive in exchange for them upon surrender thereof, goods and services in an amount equal to the face value of the certificates, upon presentation of said certificates to any store or establishment maintained by or operating in whole or in part with the State Commission.

Each such certificate shall recite substantially the foregoing facts in unambiguous language, and shall bear the facsimile signature of the chairman of the State Commission and the official seal thereof. The State Commission shall keep complete records of all such certificates issued. Said certificates shall be issued in an amount such that the total amount outstanding at any time shall equal the wholesale value of the consumers' goods owned by the Commission.

If the Commission should deem the operation of said certificates of exchange, after their use has been fairly tried, to be disadvantageous, the Commission may use, in lieu thereof, checks, drafts, or other instruments drawn upon the commodities aforesaid, and issue same in the manner above provided. In that event, all provisions of this act pertaining to certificates of exchange shall apply to said instruments used in lieu thereof. In the event that the respective State or District Commission should not have available sufficient certificates of exchange or instruments redeemable in

## Initiative Measure No. 119

commodities to pay the proportion of wages required hereunder to be paid with such instruments, it shall fix by resolution, from time to time, the proportions of the wages and salaries to be paid in such certificates or instruments, which resolution shall apply alike to all employees.

It shall be unlawful for any person, firm, or corporation to engage in the business of purchasing or selling certificates of exchange or other instruments issued against commodities as above provided, at any sum less than the face value thereof. Any person, firm, or corporation violating this section shall be guilty of a gross misdemeanor.

SEC. 11. Except when the State Commission is unable to supply them, it shall be the duty of the Director of Business Control of the state to purchase all goods, supplies and materials for the support, maintenance and operation of state institutions and departments under his control from the State Commission.

SEC. 12. The State Commission shall distribute goods to individual consumers through private storekeepers, merchants and consumers' cooperatives so long as the individual agencies agree and consistently fulfill their agreement to redeem certificates of exchange presented by buyers in any such goods, wares or property which the storekeeper, merchant or the consumers' cooperative sells in the regular course of business, and which they may secure from the State Commission upon presentation of certificates of exchange. *Provided*, That the State Commission shall establish and operate such retail distribution agencies as are necessary to market the goods purchased and acquired by it from the production for use districts, and which the private storekeepers, merchants and consumers' cooperatives shall not purchase for re-sale from the State Commission.

After six months after distribution through any particular retail agency shall have commenced, such retail agency shall not be eligible to contract with and distribute for the State Commission unless said agency pays prevailing or union wages to any employees it may have other than members of the family of the owner or operator.

Failing to find a market within the state, the State Commission may market its goods, products, and commodities anywhere in the world.

SEC. 13. One-half of the wages and salaries of the employees of the State Commission and the production for use districts shall be paid in certificates of exchange. Such wages or salaries shall never be less than the prevailing or standard union scale for the particular type of work performed. In calculating for the purpose of this comparison the amount of wages and salaries paid, certificates of exchange shall be included, and computed at face value. It shall be the policy of the State Commission and respective district commissions to raise wages of employees as high as consistent with the stable and efficient development of their enterprises.

SEC. 14. Each member of the State Commission and of the various district commissions shall devote his entire time to the duties of his office, and shall not hold any other public office.

SEC. 15. The Commissioner of Public Lands, with the advice and approval of the Board of State Land Commissioners, on such terms and subject to such regulations as may be agreed upon between the Board of Land Commissioners and the various production for use districts, shall make available for the use of the districts for the purposes of logging, woodcutting, mining, and other useful purposes, any and all lands owned by the state.

SEC. 16. In establishing and operating the industries and distribution facilities hereunder, it shall be the duty of the State Commission and of the several district commissions to select their employees from persons who are unemployed and fit for such employment, and who have been residents of the state for two years: *Provided*, That where the respective commission is unable to secure persons with the necessary qualifications from among the unemployed, they may employ any other person. Further, it shall be the policy of the district commissions to extend their production and other facilities to the end that the unemployed people in the respective districts shall be afforded employment. The term "unemployed" denotes those persons able and willing to work who

## Initiative Measure No. 119

are not being hired for compensation, or who, while being hired or engaged in any gainful activity, do not receive earnings sufficient to provide themselves and their families with the necessities and reasonable comforts of life.

All work shall be distributed as equitably as possible, taking into consideration the needs of the applicant, the number dependent upon him, and his ability. The right of all employees to organize and to bargain collectively shall be recognized at all times.

SEC. 17. Employees of the State Commission or respective district commissions shall be discharged only on grounds clearly specified in rules to be promulgated and published by the respective commission. Any employee discharged shall be given written notice at the time, of the grounds of such discharge. If the employee be discharged by any officer or agent appointed by the commission, he may appeal to the respective commission by giving notice of appeal within ten days after he receives written notice of his discharge. Such notice by the employee shall be served on the respective commission either by registered mail or by personal service upon the chairman of the commission. The commission shall appoint one or more of its members as a committee to pass upon all appeals. Hearing shall be had before such committee within not less than five nor more than fifteen days after notice of appeal is served. Notice of hearing shall be served upon the appellant either personally or by registered mail not less than five days prior to the hearing. If the committee finds the employee was wrongfully discharged, it shall direct that he be reinstated and that he be paid full compensation for time lost. The findings and order of the committee shall be spread upon the minutes of the commission. In case the committee shall rule adversely to the appellant, or in the event that the employee was discharged in the first instance by the commission itself, he may appeal to the Superior Court of the county in which he was employed. No bond shall be required to effect such appeal. Such appeal shall be filed in court within twenty days after notice of the adverse decision of the commission has been served upon the appellant. Such

appeal shall be upon petition, verified by the appellant, setting out the grounds upon which he bases his claim that he was wrongfully discharged. A certified copy of such petition shall be served upon the commission either personally or by registered mail, and it shall have twenty days in which to answer the same. Thereafter the case shall be tried *de novo* in the Superior Court, and the rules of practice for civil suits shall apply. Either party shall have the right to trial by jury upon giving notice and paying the fees required by law as in other civil actions.

In the event that the court finds that the employee was unjustly discharged, it shall render judgment that the commission reinstate him in the employment from which he was discharged, and shall enter judgment in his favor against the commission for his compensation from the date of his discharge, together with costs to be assessed by the court as in other civil actions, said judgment to be satisfied in the same manner as judgments against public corporations are satisfied. Appeal to the Supreme Court by the employee but not by the commission shall lie from the judgment of the Superior Court as in other civil actions. In every action in the Superior Court or Supreme Court, a reasonable fee shall be allowed to the attorney for the employee.

SEC. 18. The provisions of the Washington Workmen's Compensation Act, Remington's Revised Statutes, Section 7673, *et seq.*, shall apply to all types of extra-hazardous employment performed under the authority of the State Commission and the production for use districts, in the same manner and to the same extent as if said employment were performed under the authority of private persons.

SEC. 19. After the first six months from the effective date of this act, no land, building, factory, store or establishment shall be purchased or otherwise acquired either by the State Commission or the several district commissions, at a price exceeding ten thousand dollars (\$10,000), or leased by such commissions at a rate of rental exceeding one hundred dollars (\$100) per month, until after a public hearing for the purpose of considering the advisability of leasing or purchasing



## Initiative Measure No. 119

---

such property, and of comparing the relative merits of such properties as may be offered. Such meeting shall be open to the public and any interested person shall have the right to be heard. Notice of the time, place, and purpose of such meeting shall be published at least once each week for three consecutive weeks in a newspaper designated as the official paper of the respective commission, and the first publication shall be not less than thirty days prior to the hearing. Offers to sell or lease property shall be in writing. The determination of the commission shall be spread upon the minutes of the commission, and made a matter of public record.

SEC. 20. If any clause, sentence, paragraph, or part of this act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall be confined in its operation to the clause, sentence, paragraph or part thereof directly involved in the controversy in which said judgment shall have been rendered. If for any reason it should be adjudged by

the Supreme Court of Washington, or the Supreme Court of the United States, that the State Commission for any reason may not legally establish, acquire or operate facilities for the distribution of goods and commodities, upon final judgment being rendered, each of the production for use districts shall, and they are hereby authorized, to acquire and establish wholesale warehouses and distribution systems and facilities, and to exercise all powers above granted to the State Commission, except the taxing power given to the State Commission; in that event, the several district commissioners shall have the further authority to meet collectively and form and thereafter operate a Cooperative Wholesale pursuant to the statute on Cooperative Associations, Remington's Revised Statutes, Section 3904, *et seq.*, each Commissioner holding his share of stock in trust for his respective district, to be transferred to his successor in office.

SEC. 21. All acts, or parts of acts, in conflict herewith are hereby repealed.

---

**ARGUMENT FOR INITIATIVE NO. 119**  
**Production for Use—The American Way Out**

We are practical people. Let us face the facts.

The economic upheaval has cast one-third of the people of our state upon private charity, the W. P. A., or relief. Farmers have lost their lands through foreclosures. They have been deprived of a market for their crops. Business men have been brought to the brink of bankruptcy. Workers still employed have suffered wage cuts and live in constant fear of losing their jobs. Taxpayers are borne down with the burden of supporting the unemployed. Young people are denied the right to labor and establish homes.

The problem cannot be solved by plowing under crops while people need food and clothing. Nor by raising prices, which consumers are unable to pay. Nor by taxing ourselves to maintain the unemployed on a dole, or at useless labor.

**POVERTY AMIDST PLENTY**

We have vast natural resources in our state. We have an excellent and a varied climate. We have a fertile soil. We have highly developed machinery and factories. We have many thousands of farmers and industrial workers eager to labor and produce an abundance of everything. Yet many of us are in poverty and all of us feel its evil effects.

**119 SUMMARIZED**

There is an American way out—Initiative 119.

This measure will establish four production for use districts covering the entire state. A commission in each district and a state commission to coordinate their activities will be democratically elected and subject to recall. These commissions will employ necessary experts and efficient managers.

Money to get the plan into operation will come from a small tax levy, appropriation, a moderate bond issue, and probably from the federal government. The general credit of the state will not be pledged.

The production for use districts will operate factories and other productive enterprises. They will sell the commodities produced or acquired to the State Commission.

Workers will be paid partly in cash and partly in certificates of exchange, redeemable in commodities. Certificates are transferable and will be backed by goods produced and on hand.

Products will be distributed by the

State Commission through private storekeepers and consumers' cooperatives. Only where private stores refuse to cooperate will state stores be established.

**PRODUCTION FOR USE MEANS  
PLENTY FOR ALL**

**Unemployed**

119 will afford work to the now unemployed at no less than the union or prevailing scale of wages. The workers will be protected from wrongful discharge by civil service provisions. They will be afforded economic security, without which their aspirations for freedom and culture are frustrated.

**Employed Workers**

119 will protect workers employed in private industry from reductions in wages likely to come while so many unemployed are ready to take their jobs.

**Farmers**

119 will provide a state distribution system through which the farmer may market his products at fair prices without paying tribute to middle-men. The re-employment of city workers will increase the market for farm products.

**Taxpayers**

119 can be inaugurated with less cost to the taxpayers than the present system of makeshift relief. When once in operation, the program should be self-sustaining. Persons now unemployed or on relief will cease to be a burden upon the taxpayers and instead themselves will become taxpayers.

**Merchants**

119 will afford the retail merchant an escape from the ruin planned for him by the chain stores. By handling production for use goods he can increase his business. Whether or not they sell production for use goods, all business people will be benefited by the increased patronage resulting from employment of their customers at good wages.

**Women**

119 will afford women positions for which they are fitted. It will aid them as consumers to purchase their food and clothing without paying profits to absentee capitalists.

**WASHINGTON COMMONWEALTH  
FEDERATION.**

2025 Third Ave., Seattle, Washington,  
By CYRUS E. WOODWARD, President.