

Referendum Measure No. 22

BALLOT TITLE

AN ACT relating to industrial insurance; increasing certain benefit rights of injured workmen and their dependents; raising the age of minor dependents entitled to compensation from sixteen to eighteen years; extending the time for applying for the readjustment of certain claims; requiring the written consent of nonresident beneficiaries before monthly payments may be converted into lump-sum payments; and amending section 7679 and section 7681 of Remington's Revised Statutes.

SENATE BILL NO. 172

AN ACT relating to extra-hazardous employments and to the compensation and remedies of workmen injured therein, and of their dependents, invalid children and beneficiaries in case of death; and amending sections 5 and 7 of chapter 74, Laws of 1911, as last amended by sections 2 and 3 of chapter 132, Laws of 1929 (sections 7679 and 7681, Remington's Revised Statutes; sections 3472 and 3475, Pierce's Code).

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

SECTION 1. Section 5 of chapter 74, Laws of 1911, as last amended by section 2 of chapter 132, Laws of 1929 (section 7679, Remington's Revised Statutes; section 3472, Pierce's Code), is hereby amended to read as follows:

Section 7679. Each workman who shall be injured in the course of his employment, or his family or dependents in case of death of the workman, shall receive out of the accident fund compensation in accordance with the following schedule, and, except as in this act otherwise provided, such payment shall be in lieu of any and all rights of action whatsoever against any person whomsoever.

COMPENSATION SCHEDULE

(a) Where death results from the injury the expenses of burial not to exceed one hundred fifty dollars (\$150.00) shall be paid to the undertaker conducting the funeral: *Provided*, That no sum shall be paid an undertaker for the burial expenses where the deceased left a widow or an orphan child or children unless

the undertaker shall make and file with the department an affidavit that no part of the burial expenses have been either directly or indirectly paid by or charged to the widow or orphan child or children.

(1) If the workman leaves a widow or invalid widower, a monthly payment of fifty dollars (\$50.00) shall be made throughout the life of the surviving spouse, to cease at the end of the month in which remarriage shall occur, and the surviving spouse shall also receive per month for each child of the deceased under the age of eighteen years at the time any monthly payment is due the following payments: For the youngest or only child fifteen dollars (\$15.00), for the next or second youngest child ten dollars (\$10.00), and for each additional child seven dollars and fifty cents (\$7.50): *Provided*, That in addition to the monthly payments above provided for, a surviving widow of any such deceased workman shall be forthwith paid the sum of two hundred and fifty dollars (\$250.00).

Upon the remarriage of a widow she shall receive once and for all a lump sum of one thousand dollars (\$1,000.00), but the monthly payments for the child or children shall continue as before.

(2) If the workman leaves no wife or husband, but an orphan child or children under the age of eighteen years, a monthly payment of twenty-five dollars (\$25.00) shall be made to each such child until such child shall reach the age of eighteen years, but the total monthly payment shall not exceed one hundred dollars (\$100.00) and any deficit shall be deducted proportionately among the beneficiaries.

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(3) If the workman leaves no widow, widower, or child under the age of eighteen years, but leaves a dependent or dependents, a monthly payment shall be made to each dependent equal to fifty per cent of the average monthly support actually received by such dependent from the workman during the twelve months next preceding the occurrence of the injury, but the total payment to all dependents in any case shall not exceed fifty dollars (\$50.00) per month. If any dependent is under the age eighteen years at the time of the occurrence of the injury, the payment to such dependent shall cease when such dependent shall reach the age of eighteen years. The payment to any dependent shall cease if and when, under the same circumstances, the necessity creating the dependency would have ceased if the injury had not happened.

If the workman is under the age of twenty-one years and unmarried at the time of his death, the parents or parent of the workman shall receive twenty-five dollars (\$25.00) per month for each month after his death until the time at which he would have arrived at the age of twenty-one years.

(4) In the event a surviving spouse receiving monthly payments shall die, leaving a child or children under the age of eighteen years, such child or children shall receive each the sum of twenty-five dollars (\$25.00) per month until arriving at the age of eighteen years, but the total monthly payment shall not exceed one hundred dollars (\$100.00) and any deficit shall be deducted proportionately among the beneficiaries.

(b) Permanent total disability means loss of both legs, or arms, of one leg and one arm, total loss of eyesight, paralysis or other condition permanently incapacitating the workman from performing any work at any gainful occupation.

When permanent total disability results from the injury, the workman shall receive monthly during the period of such disability: (1) If unmarried at the time of the injury, the sum of fifty dollars (\$50.00).

(2) If the workman have a wife

or invalid husband, but no child under the age of eighteen years, the sum of sixty dollars (\$60.00).

If the husband is not an invalid the monthly payment of sixty dollars (\$60.00) shall be reduced to twenty-five dollars (\$25.00) as long as they are living together as husband and wife.

(3) If the workman have a wife or husband and a child or children under the age of eighteen years, or being a widow or widower, having any such child or children, the monthly payment in the preceding paragraph shall be increased by fifteen dollars (\$15.00) for the youngest or only child, ten dollars (\$10.00) for the next or second youngest child, and seven dollars and fifty cents (\$7.50) for each additional child under the age of eighteen years.

(4) In case of total permanent disability, if the character of the injury is such as to render the workman so physically helpless as to require the services of an attendant, the monthly payment to such workman shall be increased thirty-five dollars (\$35.00) per month as long as such requirement shall continue, but such increases shall not obtain or be operative while the workman is receiving care under or pursuant to any of the provisions of sections 7712 to 7725, inclusive, of this code.

(c) If the injured workman die, during the period of permanent total disability, whatever the cause of death, leaving a widow, invalid widower or child under the age eighteen years, the surviving widow or invalid widower shall receive fifty dollars (\$50.00) per month until death or remarriage, to be increased per month for each child of the deceased under the age of eighteen years at the time any monthly payment is due, as follows: For the youngest or only child fifteen dollars (\$15.00), for the next or second youngest child ten dollars (\$10.00), and for each additional child seven dollars and fifty cents (\$7.50); but if such child is or shall be without father or mother, such child shall receive twenty-five dollars (\$25.00) per month until arriving at the age of eighteen years. Upon remarriage the

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payments on account of the child or children shall continue as before to such child or children.

An invalid child while being supported and cared for in a state institution shall not receive compensation under this act. If an injured workman, or the surviving spouse of an injured workman shall not have the custody of a minor child for, or on account of, whom payments are required to be made under this section, such payment or payments shall be made to the person having the lawful custody of such minor child.

(d) (1) When the total disability is only temporary, the schedule of payments contained in paragraphs (1), (2) and (3) of the foregoing subdivision (b) shall apply, so long as the total disability shall continue.

(2) but if the injured workman have a wife or husband and have no child or have a wife or husband, or being a widow or widower, with one or more children under the age of eighteen years, the compensation for the case during the first six months or such lesser period of time as the total temporary disability shall continue, shall be per month as follows, to-wit: Injured workman whose husband is not an invalid, twenty-two dollars and fifty cents (\$22.50) and seven dollars and fifty cents (\$7.50) for each child; injured workman with wife or invalid husband and no child, fifty dollars (\$50.00); injured workman with wife or invalid husband and one child, or being a widow or widower and having one child, sixty-five dollars (\$65.00); injured workman with a wife or invalid husband and two children, or being a widow or widower and having two children, seventy-five dollars (\$75.00), and seven dollars and fifty cents (\$7.50) for each additional child.

Should a workman suffer a temporary total disability, and should his employer, at the time of his injury, continue to pay him the wages which he was earning at the time of such injury, such injured workman shall not receive any payment provided in paragraph (d) sub-division (1) from the accident fund during the period his employer shall so pay such wages.

(3) If such temporary total dis-

ability shall endure longer than said six months' period, the schedule of compensation contained in paragraphs (1), (2) and (3) of the foregoing subdivision (b) shall at the end of said six months' period again obtain.

(4) As soon as recovery is so complete that the present earning power of the workman, at any kind of work, is restored to that existing at the time of the occurrence of the injury, the payments shall cease. If and so long as the present earning power is only partially restored, the payments shall continue in the proportion which the new earning power shall bear to the old. No compensation shall be payable out of the accident fund unless the loss of earning power shall exceed five per cent.

No payment shall be made to or for a natural child of a deceased workman, and at the same time, as the step-child of a deceased workman.

(e) There is hereby created in the office of the state treasurer a fund to be known and designated as the reserve fund out of which shall be made the payments specified in this section for all cases of death or permanent total disability including future payments to be made for the cases of that character which have heretofore arisen. Into the reserve fund there shall be forthwith placed all unexpended funds, in cash or invested, heretofore set aside for cases requiring a reserve. For every case resulting in death or permanent total disability hereafter arising it shall be the duty of the department to make transfer on their books from the accident fund of the proper class to the reserve fund a sum of money for that case equal to the estimated present cash value of the monthly payments provided for it, to be calculated upon the basis of an annuity covering the payments in this section provided to be made for the case. Such annuities shall be based upon tables to be prepared for that purpose by the state insurance commissioner and by him furnished to the state treasurer, calculated upon standard mortality tables with an interest assumption of three (3) per cent per annum.

The department shall notify the state treasurer from time to time of

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such transfers as a whole and the state treasurer shall invest the reserve in either state capitol building bonds issued to take up capitol building warrants now outstanding, or in the class of securities provided by law for the investment of the permanent school fund, and the interest or other earnings of the reserve fund shall become part of the reserve fund itself. The department shall on October 1st of each year, apportion the interest or other earnings of the reserve fund as certified to it by the state treasurer, to the various class reserve funds according to the average class balance for the preceding year. As soon as possible after October 1st of each year, beginning in the year 1927, the state insurance commissioner shall expert the reserve fund of each class to ascertain its standing as of October 1st of that year, and the relation of its outstanding annuities at their then value to the cash on hand or at interest belonging to that fund. He shall promptly report the result of his examination to the department and to the state treasurer in writing not later than December 31st, following. If the report shows that there was on said October 1st, in the reserve fund of any class in cash or at interest a greater sum than the then annuity value of the outstanding pension obligations of that class, the surplus shall be forthwith turned over to the accident fund of that class, but if the report shows the contrary condition of any class reserve, the deficiency shall be forthwith made good out of the accident fund of that class. The state treasurer shall keep accurate accounts of the reserve fund and the investment and earnings thereof, to the end that the total reserve funds shall at all times, as near as may be, be properly and fully invested, and to meet current demands for pension or lump sum payments may, if necessary, make temporary loans to the reserve fund out of the accident fund for that class, repaying same from the earnings of that reserve fund or from collections of its investments, or, if necessary, sales of the same.

(f) Permanent partial disability means the loss of either one foot,

one leg, one hand, one arm, one eye, one or more fingers, one or more toes, any dislocation where ligaments were severed where repair is not complete or any other injury known in surgery to be permanent partial disability. For the permanent partial disabilities here specifically described, the injured workman shall receive compensation as follows:

LOSS BY AMPUTATION

Of one leg so near the hip that an artificial limb cannot be worn	\$3,600.00
Of one leg at or above the knee so that an artificial limb can be worn.....	2,740.00
Of one leg below the knee...	1,870.00
Of great toe with metatarsal bone thereof	580.00
Of great toe at the proximal joint	360.00
Of great toe at the second joint	130.00
Of one other toe other than the great toe with metatarsal bone thereof.....	200.00
Of second toe at proximal joint	90.00
Of third toe at proximal joint	90.00
Of fourth toe at proximal joint	90.00
Of fifth toe at proximal joint	40.00
Of metatarsal bone on toe other than great toe....	100.00
Of one arm so near the shoulder that an artificial arm cannot be worn.....	3,600.00
Of the major arm at or above the elbow	2,740.00
Of forearm at upper third...	2,520.00
Of the major hand at wrist..	2,305.00
Of thumb with metacarpal bone thereof	870.00
Of thumb at proximal joint.	575.00
Of thumb at second joint...	215.00
Of index or first finger at proximal joint	470.00
Of index or first finger at second joint	395.00
Of index or first finger at distal joint	180.00
Of middle or second finger at proximal joint.....	360.00
Of middle or second finger at second joint	300.00

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Of middle or second finger at distal joint.....	\$100.00
Of ring or third finger at proximal joint.....	325.00
Of ring or third finger at second joint.....	250.00
Of ring or third finger at distal joint.....	100.00
Of little or fourth finger at proximal joint.....	125.00
Of little or fourth finger at second joint.....	90.00
Of little or fourth finger at distal joint.....	35.00
Of metacarpal bone in finger except thumb.....	90.00

MISCELLANEOUS

Loss of one eye by enucleation.....	1,725.00
Loss of sight of one eye.....	1,295.00
Complete loss of hearing in both ears.....	2,735.00
Complete loss of hearing in one ear.....	720.00
Complete broken arch in foot.....	720.00

Compensation for any other permanent partial disability shall be in the proportion which the extent of such other disability shall bear to that above specified, which most closely resembles and approximates in degree of disability such other disability, but not in any case to exceed the sum of three thousand six hundred dollars (3,600.00): *Provided*, That for disability to a member not involving amputation, not more than three-fourths ($\frac{3}{4}$) of the foregoing respective specified sums shall be paid: *Provided, further*, That payment for any injury to minor hand or arm or any part thereof, shall not exceed ninety-five (95) per centum of the amount hereinbefore enumerated.

If the injured workman be under the age of twenty-one years and unmarried, the parents or parent shall also receive a lump sum payment equal to ten per cent of the amount awarded to the minor workman.

(g) Should a further accident occur to a workman who has been previously the recipient of a lump sum payment under this act, his future compensation shall be adjudged according to the other provisions of this section and with regard to the com-

bined effect of his injuries and his past receipt of money under this act.

Should a workman receive an injury to a member or part of his body already from whatever cause permanently partially disabled, resulting in the amputation thereof or in an aggravation or increase in such permanent partial disability but not resulting in the permanent total disability of such workman, his compensation for such permanent partial disability shall be adjudged with regard to the previous disability of the injured member or part and the degree or extent of the aggravation or increase of disability thereof.

Should any further accident result in the permanent total disability of such injured workman, he shall receive the pension to which he would be entitled notwithstanding the payment of a lump sum for his prior injury.

(h) If aggravation, diminution, or termination of disability takes place or be discovered after the rate of compensation shall have been established or compensation terminated, in any case the director of labor and industries, through and by means of the division of industrial insurance, may, upon the application of the beneficiary, made within five years after the establishment or termination of such compensation, or upon his own motion, readjust for further application the rate of compensation in accordance with the rules in this section provided for the same, or in a proper case terminate the payment: *Provided*, Any such applicant whose compensation has heretofore been established or terminated shall have five (5) years from the taking effect of this act within which to apply for such readjustment.

No act done or ordered to be done by the director of labor and industries, or the department of industrial insurance, prior to the signing and filing in the matter of a written order for such readjustment, shall be ground for such readjustment: *Provided, however*, That if within the time limit for taking an appeal from an order closing a claim, the department shall order the submission of further evidence or the investigation

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of any further fact, the time for appeal from such order closing the claim shall be extended until the applicant shall have been advised in writing of the final order of the department in the matter.

(i) A husband or wife of an injured workman, living in a state of abandonment for more than one year at the time of injury or subsequently, shall not be a beneficiary under this act. A wife who has lived separate and apart from her husband for the period of two years and who has not, during that time, received, or attempted by process of law to collect, funds for her support or maintenance, shall be deemed living in a state of abandonment.

(j) If a beneficiary shall reside or remove out of the State the department may, in its discretion, with the written consent of the beneficiary, convert any monthly payments provided for such cases into a lump sum payment (not in any case to exceed the value of the annuity then remaining, to be fixed and certified by the state insurance commissioner, but in no case to exceed the sum of five thousand dollars (\$5,000.00)).

(k) No workman injured after June 30th, 1923, shall receive or be entitled to receive compensation out of the accident fund for or during the day on which injury was received or the three days following the same.

(l) If it be determined by the department of labor and industries that an injured workman had, at the time of his injury, a pre-existing disease and that such disease delays or prevents complete recovery from such injury the said department shall ascertain, as nearly as possible, the period over which the injury would have caused disability were it not for the diseased condition and/or the extent of permanent partial disability which the injury would have caused were it not for the disease, and award compensation only therefor.

SEC. 2. Section 7 of chapter 74, Laws of 1911, as last amended by section 3 of chapter 132, Laws of 1929 (section 7681 of Remington's Revised Statutes; section 3475, Pierce's Code), is hereby amended to read as follows:

Section 7681. In case of death or permanent total disability the monthly payment provided may be converted, in whole or in part, into a lump sum payment (not in any case to exceed five thousand dollars (\$5,000.00)), equal or proportionate as the case may be to the value of the annuity then remaining, to be fixed and certified by the state insurance commissioner, in which event the monthly payment shall cease in whole or in part accordingly or proportionately. Such conversions may only be made after the happening of the injury and upon the written application of the beneficiary (in case of minor children the application may be by either parent) to the department, and shall rest in the discretion of the department. Within the rule aforesaid the amount and value of the lump sum payment may be agreed upon between the department and the beneficiary. In the event any payment shall be due to an alien residing in a foreign country, the department may settle the same by making a lump sum payment in such amount as may be agreed to by such alien, not to exceed 50% of the value of the annuity then remaining.

Nothing herein contained shall preclude the department from making, and authority is hereby given it to make, on its own motion, lump sum payments equal or proportionate, as the case may be, to the value of the annuity then remaining, in full satisfaction of claims due to dependents.

SEC. 3. A dependent invalid child over the age of eighteen years shall have the same status under this act as a child under the age of eighteen years. Wherever provision is made in this act for payment to or on account of a child under eighteen years, like payment shall be deemed to be provided to or on account of a dependent invalid child over the age of eighteen years during the period of such dependency.

Passed the Senate March 13, 1941.

Passed the House March 12, 1941.

Approved by the Governor March 24, 1941.

ARGUMENT FOR REFERENDUM MEASURE NO. 22

TO THE VOTERS OF THE STATE OF WASHINGTON:

Vote "Yes" on Referendum Measure No. 22.

A vote for this referendum measure is a vote to prevent selfish interests from shifting the burden of their carelessness onto the helpless victims of industrial accidents, constructive industry and the general taxpayers.

These interests hide their identity under the assumed name of "Defenders of Washington Payrolls, Inc." A few lumbermen control that organization.

The Legislature passed Referendum Measure 22 by an Overwhelming Majority.

This Referendum Measure is Senate Bill 172. It grants a moderate increase in the rate of compensation to be paid by industry to workmen injured in extrahazardous employment. The interests that ask you to vote against Referendum Measure 22 urged every possible objection when the measure was being considered by your representatives in the legislature. After a deliberation of nearly two months, during which every argument pro and con was analyzed and weighed carefully, the House of Representatives passed the measure by a vote of 72 to 26, and the Senate passed it by a majority of 32 to 11.

The special interests that are opposing Referendum Measure 22 urged the Governor to veto the bill. Governor Langlie, after a painstaking study, and acting on the advice of many experts, signed and approved the measure.

Small Minority Blocks the Will of the People.

After this bill had passed the legislature and been signed by the Governor, selfish interests filed a referendum petition signed by only 5% of the voters. By this petition the operation of this progressive measure was suspended until the next general election, thereby depriving the injured workmen of its benefits for nearly two years.

Industrial Insurance Costs Are Low.

Sixty thousand workmen are injured in hazardous industry in the State of Washington every year. Ninety per cent of these accidents are preventable. A disproportionately large per cent happen in logging and coal mining. The rate of compensation paid the injured workman and his family is the smallest factor in the Industrial Insurance cost to the employer. Loss occurs only when an accident happens. That loss can be prevented by eliminating the accident.

The opponents of this measure say that some employers pay as high as 64¢ a day in Industrial Insurance premiums. That is the rate for logging, but loggers who are careful are given a much lower rate.

Injured workmen in all industries receive the same schedule of Industrial Insurance Compensation.

The rate for sash and door factories is less than 5¢ per day per man. Why should the loggers have 13 times as many accidents in proportion to the number of men employed? Why should the loggers have 65 times as many accidents in proportion to the number employed as the street railways and the stage and bus lines?

Negligence Admitted.

In the committee hearings during the last legislature the same selfish interests that are opposing Referendum Measure 22 admitted before the legislative committees that accidents in industry could be reduced 80% by proper safeguards and safe practices.

When these same few employers protested against an increase in the compensation paid the injured workman and his family, they were properly told by the legislature to clean house in their industry. They were advised to effect their savings by eliminating unnecessary accidents, not at the expense of the injured workman.

Inadequate Industrial Insurance Compensation Throws Burden on Taxpayers.

All Workmen's Compensation Acts are predicated upon the proposition

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that the loss caused by industrial accidents is a part of the cost of production that should be borne by industry.

Under the Washington law the cost of administering the Industrial Insurance Act is paid out of general taxes. In return the taxpayers are supposed to be protected from the burden of having to support the casualties of industry.

The injured man still bears the greater part of the loss. His body suffers the injury. His earning capacity is stopped. His right to sue the employer for damages is taken away. The compensation awarded is pitifully inadequate. Many workmen injured in industry are now being supported on relief by the general taxpayers.

Every farmer, every taxpayer, every employer, engaged in a permanent industry should vote for Initiative Referendum Measure 22. They should insure that the large logging interests, many owned by non-residents, do not leave the State with a permanent heritage of stumps, dependent cripples, widows and orphans.

Workmen's Compensation Payments Very Small.

The selfish interests who urge you to vote against Referendum Measure 22 say that the Industrial Insurance Compensation in Washington is adequate. We ask you to judge for yourself. A totally crippled workman is paid \$35.00 a month. If he has a wife he is expected to support her on \$5 a month additional. He is expected to feed, clothe and educate his children on \$12.50 a month for the first child, \$7.50 a month for the second, and \$5 a month for each additional child. Is that an American standard of living?

If a workman's right hand is cut off he is paid \$1,920 as soon as the stump is healed. For the rest of his life he must be cared for by the public. The award for the loss of an eye is \$1,080; for a leg amputated below the knee it is \$1,560. In your opinion are those adequate awards? As a taxpayer should you be expected to

assume industry's burden of supporting such crippled men?

Referendum Measure No. 22 provides that an injured workman shall receive \$50 a month if he is totally disabled. If married, he is allowed \$10 a month for the support of his wife, \$15 a month for the first child, \$10 a month for the second, and \$7.50 a month for additional children.

Awards now paid for amputated limbs are increased 20%. Is there anything unreasonable in those payments? From the above it will easily be seen that the opponents of Referendum Measure 22 grossly exaggerate the cost to the employer of the increases provided in the bill. To employers who use proper care to reduce accidents there will be no additional cost. The rates of compensation provided in Referendum Measure 22 to injured workmen and their dependents are still small. They are certainly not excessive.

No Increase in Pension Reserve Fund.

The opponents of Referendum Measure 22 argue that the reserves heretofore set up for pension cases total \$13,000,000 and that the Referendum Measure will require an additional \$3,500,000 at once. This is false. The pension reserve fund has been built up over a period of 30 years, since the Industrial Insurance Act was enacted in 1911. No additional reserves are required for past cases. The Referendum Measure specifically provides that it relates only to future accidents. The Attorney General of the State of Washington has rendered an opinion that the measure is not retroactive.

Vote for Referendum Measure No. 22.

WASHINGTON STATE FEDERATION OF LABOR,

By JAMES A. TAYLOR,
President.

STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State July 1, 1941, by James A. Taylor, President, Washington State Federation of Labor.
BELLE REEVES,
Secretary of State.

ARGUMENT AGAINST REFERENDUM MEASURE NO. 22

TO THE VOTERS OF THE STATE
OF WASHINGTON:

You should vote "Against" Referendum Measure No. 22!

Referendum Measure No. 22 is arbitrary and unsound.

Industrial Insurance is highly technical. The employer who pays the bill, the injured workman who receives the benefit, and the public, should be considered. A Thurston County Grand Jury, composed of representatives of labor, industry, farmers and the public, in a report filed January 12, 1940, after several months of investigation of the Department of Labor and Industries, reported that the Industrial Insurance Act needed study, but stated that that was impossible during the time available in a legislative session, and recommended that the Legislature authorize the Governor to appoint a committee to study and make an impartial report. The Legislature disregarded this recommendation and, instead, passed Referendum Measure No. 22 in the rush of the last days of the legislative session.

According to the 1940 report of the United States Bureau of Labor, our present Industrial Insurance Law is one of the most comprehensive and liberal of any state in the Union. There is no limit on the length of time compensation is paid.

The Industrial Insurance Law was enacted to give immediate relief to injured workmen, even though the workman was to blame for his injury.

We do not desire less benefits paid to beneficiaries under Industrial Insurance. We have as much interest in preserving the integrity and well-being of the workman and his family as any other group in the state.

Referendum Measure No. 22 was drawn entirely for a special interest group. Employers were not consulted, although they were ready and willing to meet with employees and the public to discuss industrial insurance questions, and are still willing to consider and recommend adjustment of any inequalities under the present law. All offers to compromise were

rejected as were all proposals that the entire matter be studied by a non-partisan committee.

Referendum Measure No. 22 raises the basic rate cost of industrial insurance 58.65%. The employee pays no part of the cost of industrial insurance.

Industrial insurance in 1940 cost employers of the State of Washington \$4,269,102.89. Referendum Measure No. 22 will increase that cost to nearly \$7,000,000.00 annually. In 1937, general Social Security legislation became effective and payroll taxes for Federal Old Age Annuities and Unemployment Compensation went into effect, which meant that \$18,330,000.00 was paid in 1940 by the payroll makers of this state in addition to the \$4,269,000.00 paid for industrial insurance. Further, employers are facing ever increasing tax burdens to meet the present national crisis and carry on a successful defense program.

Under the present industrial insurance law there is a cash reserve fund of \$13,427,399.00 to guarantee payment of fixed pensions and awards. Referendum Measure No. 22 will require an immediate cash increase in that fund of at least \$3,500,000.00.

Referendum Measure No. 22 not only discriminates against existing business enterprises, but is a detriment against securing new industries and might be the deciding factor which would cause a new industry to locate out of the State of Washington. The fact remains, that industry carrying ever increasing payroll and defense taxes, cannot absorb additional loads and still continue to operate.

Referendum No. 22 will increase the cost of Washington manufactured products, thereby raising the price farmers will have to pay for these products.

Referendum Measure No. 22 does not cure any defect of the present law, eliminate delays, or guarantee payments to injured workmen.

Referendum Measure No. 22 endangers the entire structure of State Industrial Insurance. Many small businesses, today, are paying as much

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as 64¢ per day, for each employee, for industrial insurance. Referendum Measure No. 22 will increase this cost for such concerns to \$1.00 or more per day, per employee.

The United States Department of Labor finds that the problem of Industrial Insurance is to devise a system that will actually protect the greatest possible number of workers, at a cost that small employers and even poor employers can bear.

The State of Washington is dependent on both labor and industry. In all problems affecting them, both should be considered.

We would welcome the appointment of a committee composed of representatives of labor, industry and the public to make a study and impartial report of industrial insurance

problems. We are willing to submit to the finds and abide by the recommendation of such a committee. This is the democratic method or procedure.

Make possible a fair and impartial study of Industrial Insurance problems.

VOTE - "AGAINST" REFERENDUM MEASURE NO. 22!

DEFENDERS OF WASHINGTON
PAYROLLS, INC.,

By JACK PERINE,
Secretary-Treasurer.

STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State, June 20, 1941, by Jack Perine, Secretary-Treasurer, Defenders of Washington Payrolls, Inc. BELLE REEVES,
Secretary of State.