

Referendum Measure No. 25

CHAPTER 15, LAWS OF 1943 INITIATIVE MEASURE NO. 12 TO THE LEGISLATURE

BALLOT TITLE

AN Act pertaining to public power resources and public utilities and acquisition and operation thereof by certain public authorities and municipal corporations; authorizing public utility district commissioners to create joint commissions; relating to composition, government, powers, funds, business and properties thereof; applying certain public utility district laws thereto; empowering them to acquire electrical properties solely by issuing revenue bonds and warrants; requiring deposit of funds with State Treasurer and audit of accounts by State Auditor; taxing their operations instead of property; permitting their union; offsetting earnings against interest on certain condemnation awards; declaring emergency and that act take effect immediately.

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

SECTION 1. About two-fifths of the entire potential hydroelectric power in the United States is located within the State of Washington. It is of the most vital importance for the successful prosecution of the war and the development of the resources of this state in the post-war peace that every available kilowatt of this power be harnessed as quickly as possible. This can be properly accomplished

only by placing electrical properties under public ownership and operation.

It is contemplated that legislation will be adopted by the Congress relating to the further power development of the Columbia River, and the creation of an administrative agency designed, among other things, to make the energy generated at the several federal dam sites available to public agencies at low cost. It is the intent hereof to provide legal machinery whereby, among other things, the commissioners of the public utility districts may undertake projects complementary to those provided for in such national legislation, may perform their intended functions more economically and efficiently, and accomplish the following general purposes: to form joint public utility district commissions and thereby effect the acquisition of electrical properties upon an economical, system-wide basis; to provide for the financing of such acquisitions solely by revenue bonds and warrants; to provide for the payment of a tax on the gross revenue of any joint commission in lieu of ad valorem taxes; and to facilitate the acquisition of local distribution and other properties by public utility districts and other municipal corporations. The rule of strict construction shall have no application to this act, but the same shall be liberally construed in order

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to carry out the purposes and objects for which the act is intended.

SEC. 2. The majority of the commissioners of each of two or more public utility districts may create a joint public utility district commission, hereinafter called a "joint commission," whenever there is located within such districts more than fifty per centum (50%) in value of the properties comprising an integrated electric system, exclusive of properties not located in any public utility district. Such joint commission shall be a public authority and a body politic and municipal. It shall be formed by filing with the Secretary of State a resolution adopted by the commission of each district stating the name of the joint commission, its principal place of business and the rules governing the transaction of its business. All commissioners for the time being of the public utility districts which shall have adopted and filed such resolution shall be members of the joint commission during their terms of office. The commissioners of any other public utility district in which are located properties of the same integrated electric system shall become members of such joint commission upon equal terms with the original organizers whenever such district shall file with the Secretary of State a resolution ratifying the resolution filed by the original organizers and stating that its commissioners shall be members of such joint commission. The successors in office of all commissioners who are members of a joint commission shall succeed to their membership therein. The term "value," as used in this section and in section 10 of this act, means the latest valuation placed upon the properties therein mentioned by the State Tax Commission for taxing purposes. The term "integrated electric system," as used in this act, means all contiguous or interconnected electric generating, transmission and distribution properties within this state operated by the same public service company.

SEC. 3. The members of each joint commission shall meet together and

select from among their own number a president and a secretary; they shall also elect an auditor and require him to post a bond for the faithful performance of his duties, to be prescribed by resolution. All books and records of the joint commission shall be subject to audit by the State Auditor as prescribed by law for other municipal corporations.

SEC. 4. A joint commission may by resolution constitute an executive committee, hereinafter called the committee, which shall be composed of the president and the secretary of the joint commission, together with not less than three nor more than five of its other members, as the joint commission may determine. The committee members shall be elected by the joint commission in the manner and for the time specified in the rules and regulations of the joint commission. Between meetings of the joint commission, the committee shall administer and manage its business, subject to its direction, rules and regulations. The committee shall adopt rules for the transaction of its business, which shall be effective upon filing a copy of the same with and the approval thereof by the joint commission. The committee may buy or sell materials, equipment and supplies pursuant to the rules and regulations of the joint commission, in connection with current operations, but shall not have authority to issue bonds nor to sell or purchase any electric generating, transmission or distribution properties.

SEC. 5. The State Treasurer shall be treasurer *ex officio* of each such joint commission. All monies of the joint commission shall be paid to the treasurer and disbursed by him only on warrants drawn and signed by the auditor upon order of or vouchers approved by the joint commission or by its executive committee. The treasurer shall create and maintain such special funds as the joint commission may direct. All monies so paid to the treasurer shall be deposited by him forthwith as demand deposits in such depository or depositories authorized by law to receive deposits of state funds, and to

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the credit of such special fund or funds, as the joint commission by resolution may direct. Such deposits shall be made under the same contracts, restrictions, and security, as near as may be, as is provided by statute for state depositories. Any such fund shall be a trust fund and shall at all times be kept segregated and set apart from all other funds; all interest received or earned on money in any such special fund shall be credited thereto and become a part thereof. Whenever it shall appear to a joint commission that it has any inactive fund or funds in excess of current needs, it may, by resolution authorize the treasurer to invest any such funds in the bonds of the United States Government, and likewise may authorize him to sell any such bonds at any time. The interest on such bonds, or the proceeds of any sale of the same, shall be credited to the fund from which the money for such bonds was withdrawn.

SEC. 6. Except as otherwise provided in this Act, each joint commission and the officers aforesaid shall have the powers, and shall be governed by the provisions set forth in the laws relating to public utility districts (Chapter 1, Laws of Washington for 1931, and Chapters 182 and 245, Laws of Washington for 1941) as now in effect or hereafter amended; except that they shall not have the power to tax, or to issue any general obligation bonds or warrants, or to create any local improvement assessment district. Whenever the words "district," "public utility district," "public utility district commissioners," "commission," or any word or words used in lieu thereof appear anywhere in the above mentioned laws, the same shall be taken to refer to a joint commission for purposes of this act, unless the context indicates otherwise. Whenever the words "within or without the district," or any similar words referring to the boundaries of public utility districts appear in those laws, the same for purposes of this act shall be taken to refer to the limits of all public utility districts whose com-

missioners are members of the respective joint commission. The joint commission may amend its rules and regulations, in which event it shall file a certified copy of such amendment with the Secretary of State. In the event that any joint commission seeks to acquire by eminent domain any public utility, or any interconnected properties extending through or into more than one county, such proceedings may be instituted and conducted in any one of the counties where such utility or properties or any part thereof are located.

SEC. 7. Any joint commission which owns and operates properties for the generation, transmission or distribution of electric energy shall pay a tax for the act or privilege of engaging in the operation of such properties within this state, as provided by Sections 1 and 2, Chapter 245, Laws of Washington for 1941, which tax shall be computed, levied, collected and apportioned as provided therein except that the rate shall be as follows: On energy which the joint commission generates, transmits and distributes to ultimate consumers by means of properties owned by it, the tax shall be five and six-tenths per centum (5.6%) of its gross revenues from such operation; on energy which it generates and transmits by means of properties owned by it and which it sells for purpose of resale, the tax shall be three and six-tenths per centum (3.6%) of its gross revenue from such operation; and on energy which it buys at wholesale and distributes to ultimate consumers by means of properties owned by it, the tax shall be two per centum (2%) of its gross revenue from such operation: *provided*, That if a joint commission is required to pay taxes to a governmental body located outside of this state on the operations upon which the taxes herein provided for are levied or upon properties used in such operations and located outside of this state, then the amount of taxes so paid without this state shall be deducted from the amount of taxes otherwise payable hereunder: *And provided further*, That the value of

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energy received by a joint commission from the United States or any other public agency in exchange for energy generated by such joint commission shall not be deemed income of such joint commission for the purposes of this section. The tax provided for herein shall be in lieu of all ad valorem real and personal property taxes, but shall be in addition to the tax provided for in Chapter 225, Laws of Washington for 1939.

SEC. 8. Any joint commission may by resolution sell, lease or otherwise dispose of any public utility properties or interest therein to the United States, or any public utility district or to any other joint commission, city, town or other municipal corporation or public agency or cooperative, and may contract with any of them respecting the joint or separate acquisition, financing or operation of any public utility property or interest therein. It shall be the duty of a joint commission, when requested to do so by any public utility district in which any electrical distribution properties owned by it are located, to negotiate with such district for the sale of such properties to it, and to sell the same to such district at the fair cash market value thereof as soon as such sale can reasonably be consummated: *Provided, however,* that no such sale shall be made which will impair the security or obligation of any outstanding bonds of the joint commission: *And provided, further,* that the joint commission may include in bonds issued by it such covenants relating to the terms and conditions upon which any public utility or any other properties may be sold, leased or disposed of and the use and disposition of the proceeds thereof, as the joint commission may deem advisable in order to prevent the impairment of the security of such bonds.

SEC. 9. Any public utility district or other municipal corporation may advance or contribute funds to a joint commission for surveys and investigations or for such other work and services relating to the acquisition of properties as may be deemed

advisable, and the joint commission may repay such advances and contributions from the proceeds of revenue bonds theretofore or thereafter issued by it or from any other funds belonging to the joint commission.

SEC. 10. No joint commission shall acquire any public utility properties unless more than fifty per cent (50%) in value thereof are located within the public utility districts whose commissioners are members of such joint commission, or are reasonably necessary for the generation or transmission of energy to supply distribution properties to be acquired and operated within such districts: *Provided,* that if a joint commission seeks to acquire an electric system, part of which is located within a county in which no public utility district is located, or within a city of the first class not included within such a district, and the governing body of such county or city adopts a resolution or ordinance declaring it to be in the public interest that the joint commission acquire the portion of the system located therein, then the joint commission may acquire such electric system by purchase or condemnation if more than fifty per cent (50%) in value thereof is located within such county or city and the public utility districts aforesaid. As regards properties located within such city no county resolution shall be required, but a city ordinance shall be requisite and sufficient for the purposes of this section.

SEC. 11. The provisions of Section 6, Chapter 245, Laws of Washington for 1941, shall apply to any public utility district commissioner while devoting time to the business or attending the meetings of a joint commission of which he is a member. The payments therein provided for may be made either by the joint commission or by the districts whose commissioners are members thereof.

SEC. 12. Whenever, in any eminent domain proceeding heretofore or hereafter instituted by any such joint commission, or by any public utility district or other municipal corporation for the acquisition of any public

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utility or works, plants or facilities, a verdict has been returned, or, if the case is tried before the Court without a jury, a judgment has been entered, fixing the amount to be paid as compensation for the property taken or damaged, such verdict or judgment shall bear interest at the legal rate from the date of entry to the date of payment thereof, and there shall be added thereto the amount, with like interest thereon, expended for reasonable additions and betterments to and extensions of such property made between the dates last mentioned: *Provided*, That there shall be offset against and deducted from such interest and the amount added thereto for additions, betterments and extensions made as aforesaid, the amount of net earnings, before allowance for depreciation, derived from such properties between such dates. The condemnor may serve upon the condemnee or its attorneys of record and file with the court a notice of its intention to pay the award or judgment, together with a demand for a verified statement showing in reasonable detail the income received from the properties, the expense incurred in operating them and the additions, betterments and extensions made thereto, with the cost of the same, between the date of the verdict or judgment and the last day of the month preceding the month in which such statement is rendered. If the condemnee fails to file such sworn statement with the court within ten days after service upon it of the demand therefor, it may be compelled to do so by contempt proceedings. The time during which such contempt proceedings are pending shall not be considered in computing the period within which the condemnor may exercise its right of appropriation. After such sworn statement is filed, the condemnor may pay the full amount of the verdict or judgment plus accrued interest and the amount of such additions, betterments and extensions, less the net earnings before allowance for depreciation, all as shown by the sworn statement, and concurrently obtain a decree of appropriation. Or,

if the condemnee fails to file such sworn statement within ten days after service of the notice and demand aforesaid, the condemnor, at its option and at any time before the sworn statement is filed, may pay the full amount of the judgment or verdict, plus accrued interest, and concurrently obtain a decree of appropriation. In either case the condemnor shall have the right, and such payment shall not prejudice its right, to institute proceedings for an accounting and payment of the amount due it for net earnings between the date of entry and the date of payment of the condemnation award, *provided* such accounting proceedings are commenced, either in the eminent domain cause or in an independent action in any court of competent jurisdiction, within thirty days after entry of the decree of appropriation.

The condemnor in any such eminent domain proceeding may, pursuant to resolution duly adopted, discontinue such proceeding at any time within one year from the date the right of appeal from the judgment fixing the amount of compensation expires, or, if an appeal is taken from such judgment, then at any time within one year after the final determination of such appeal, upon paying or depositing in court all taxable costs of the condemnees in such proceeding. Except as hereinabove provided, failure of any condemnor to exercise its right of appropriation in any such proceeding within the applicable period aforesaid shall be deemed to constitute an abandonment thereof. If any such proceeding is discontinued or abandoned as aforesaid, no new proceeding shall be instituted therefor until the expiration of one year from the date of such discontinuance or abandonment.

SEC. 13. In the event that any two or more joint commissions operate properties which are interconnected and of such a nature that they may be operated more efficiently and economically under one management, such joint commissions may unite and organize an authority for

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that purpose and for purposes related thereto by filing with the Secretary of State a resolution adopted by each such joint commission, stating the name of the proposed authority, its principal place of business, the rules governing the transaction of its business, and the functions to be performed by it. The members of the joint commissions participating shall be members of such authority, which shall have all powers of a joint commission with respect to the functions stated in the resolution creating it.

SEC. 14. If any section or provision of this act shall be adjudged to be invalid, such adjudication shall not affect the validity of the act as a whole or any section, provision or part thereof not adjudged to be invalid.

SEC. 15. The purposes to be accomplished by the creation of any such joint commission or authority are declared to be essential, public and governmental purposes. This act is necessary for the preservation of the public peace, health, and safety, the promotion of the public welfare and support of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate February 16, 1943.

(Signed) VICTOR A. MEYERS,
President of the Senate.

Passed the House February 17, 1943.

(Signed) EDWARD J. REILLY,
Speaker of the House.

ARGUMENT FOR REFERENDUM 25

A vote for Referendum 25 is a vote for Initiative 12 and the Public Power Program.

What It Is

Referendum 25 amends and strengthens the District Power Law which the voters passed in 1930. Twenty-nine county-wide public utility districts have been organized under that law.

The main feature of Referendum 25 is that it authorizes the commissioners of districts served by the same private power company to go together and form a joint commission to acquire the entire system whereas now each district can acquire only the part located in its own county.

After acquiring a system the joint commission must sell the distribution properties in each public utility district to the district, if it wishes to buy them, at their fair cash market value. Thus each district will own its own properties and serve its own people. The joint commission will own and operate the generating plants and transmission lines which serve several counties and sell energy wholesale to the public utility districts.

This will make it easier and cheaper for the districts to get into business. It will save them millions of dollars in severance damages and acquisition costs. It will also enable them to sell their revenue bonds at lower interest rates and make savings on wholesale power costs.

The joint commissions to be organized under "25" can not levy taxes nor sell general obligation bonds. All their properties must be paid for entirely out of earnings. They must pay taxes on their gross income at rates calculated to yield the state and its subdivisions (counties, cities, school districts, etc.), at least as much revenue as they would get from a private company owning and operating the same properties.

Initiated by People

The people initiated this bill to the 1943 legislature as Initiative 12, after

thorough public discussion in the general election campaign of 1942. The legislature passed it by a big majority following public hearings and extensive debate in which both sides of the issue were thoroughly considered. The vote in the Senate was 29 for, 17 against; in the House 63 for, 36 against.

Passed by Legislature

After failing to kill the Initiative in the Legislature, the private power interests circulated referendum petitions to delay its effective date. Many people who signed these petitions believed they were advancing the cause of Initiative 12.

We must now pass Referendum 25 to keep Initiative 12.

Referendum 25 is supported by the Washington State Grange, organized labor, the progressive leaders of both political parties and all other public power forces in our State.

Endorsed by Congressional Delegation

It has the unanimous approval of the entire Washington State Congressional Delegation, both Republicans and Democrats. When the bill was pending in the Legislature in February, 1943, the entire delegation signed an appeal to the Legislature urging its immediate passage. Their statement said; in part:

"The Washington State delegation in Congress all joined in sponsoring Initiative 12 * * * The Federal Government has made a vast investment in two great electric generating plants on the Columbia River * * * with the approval of the people of our State. * * * Our people have previously approved, on several occasions, legislation looking to the development of power systems under public auspices. Initiative 12 merely seeks to implement this program. By the adoption of Initiative 12 at the present session, the Legislature of our State will have taken a great step forward in carrying out the desires of the people expressed at the Ballot Box." Signed by Senar

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tors Homer T. Bone and Mon C. Wallgren; Representatives Warren G. Magnusson, Henry M. Jackson, Fred Norman, Hal Holmes, Walt Horan and John M. Coffee.

Here are some of the reasons why adoption of Referendum 25 (formerly Initiative 1) is in the best interests of the people of Washington:

Full Employment

1. It will enable every community that wants it to secure the advantages of cheap Grand Coulee-Bonneville electricity without paying profit to an absentee-owned corporation. It will mean new industries and full employment because of cheaper electric power.

Home Rule

2. In contrast with the present system of absentee, holding-company ownership, it will place electric properties in control of the people of the area served, acting through their elected commissioners. These commissioners will be directly responsible to their constituents when serving as members of a joint commission, just as they are when performing their other duties as power district commissioners. The people who elect them can recall them from office at any time. Public hearings can be had on all their important acts. Participation in a joint commission by any district will be entirely voluntary. The joint commissions will be owned and controlled by the local districts, thus assuring home rule.

Benefits and Protects Cities

3. Although designed primarily for the benefit of the public utility districts, Referendum 25 can also benefit cities which own or hope to own their own municipal power and light systems. It will let them cooperate with public utility districts in buying out any private power system

operating partly within the city. In this way a city, at minimum cost, can acquire the privately owned power properties within its limits and do away with costly absentee ownership. The Attorney General has ruled that under this law no public utility district or joint commission can condemn or take away any municipally owned public utility property.

Lowers Costs

4. Experience shows that electric power systems can not be operated to fullest efficiency and economy where there is duplication of facilities. From the very nature of the business it must be a monopoly,—either public or private. A public power monopoly, like the post office system, the public highways, the public schools or any other public monopoly, has the incentive and ability to fully utilize its resources for the widest possible benefit of the people. Referendum 25 will make it possible for the people of Washington to use their great hydroelectric resources to full capacity at lowest cost.

In 1942 Public Power rates saved Washington users \$27,000,000: more than four times the amount of taxes paid by all the private power systems in the State. This is but a fraction of the savings we can realize through cooperative public operation under Referendum 25.

Passage of Referendum 25 will mean that the benefits of low cost power from Grand Coulee, Bonneville and other projects will go to the people who work and live in this State. Its defeat would mean that profits would be diverted to eastern utility interests incorporated in Maine, Massachusetts and New York.

These are the interests opposing Referendum 25.

A vote for Referendum 25 means keeping our power dollars at home.

Vote **FOR** Referendum 25.

The Washington State Grange.

STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State June 16, 1943.

BELLE REEVES,
Secretary of State.

ARGUMENT FOR REFERENDUM 25

The vital need for this measure, which your representatives in the State Legislature passed by overwhelming majority, is explained in the argument filed by Washington State Grange.

Instead of answering that argument, the opposition has resorted to "name-calling"—an old device by which they apparently hope to get our minds off the real issues.

Referendum 25 Is Opposed Only By Special Interests

Arguments against Referendum 25 in this booklet were filed by a committee of power company officials (headed by two Spokane officers of the Washington Water Power Company) and by certain special interest groups in Spokane known to be closely affiliated with the power companies. The official receipt shows that the argument filed in the name of certain union officials was paid for by a Spokane attorney for the Washington Water Power Company. Official records also show that \$4,206.80 of the \$5,937.81 expended in circulating the referendum petitions was paid by Washington Water Power Company.

Referendum 25 Furthers Home Rule

State tax records show that over 99% of the private light and power company property in Washington is owned by the Washington Water Power, Pacific Power and Light, Northwestern Electric and Puget Sound Power & Light Companies. The first three are subsidiaries of the largest holding company in the world—Electric Bond & Share—with offices in New York City. 1,200,000 of the 1,900,000 shares of common stock of Puget Sound Power & Light Company are owned outside this state. So, in effect the private power business of this state belongs to two great monopolies, neither of which is Washington owned or controlled. Thus foreign, monopolistic control dominates our state's most important resource.

Contrast this with the power district law and Referendum 25 under which local people select non-partisan commissioners to operate their elec-

tric properties, to bring lowest rates and maximum development of local resources.

The power companies call this "Socialism", "Bureaucracy", "Dictatorship". Judge for yourself.

Referendum 25 Favors Free Enterprise

The record shows that free, private, competitive businesses of all kinds locate where electric rates are low, and that publicly owned electric systems have consistently cut rates below those charged by private companies in the same area. Referendum 25 will enable public agencies to acquire electric systems at lower cost and to operate them even more efficiently.

The huge electric monopolies have always been hand-in-glove with other private monopolies in this state against the interests of the small business man, labor, the farmer, and the public. It is only by making low power rates available to all, through public ownership, that real free enterprise gets an "even break".

Referendum 25 Benefits Labor

The power districts have taken the lead, among all municipal and governmental agencies, in recognizing and bargaining with labor unions, raising wages and improving working conditions. Before public power became strong, the private power companies paid low wages and fought every attempt to unionize. If public power should suffer a reverse through defeat of Referendum 25, the private companies would return to their old policies. They are part and parcel of the notoriously anti-union National Association of Manufacturers which advocates a pool of millions of unemployed after the war for "ideal business conditions". Referendum 25 will make electric power available to every Washington community at rates which will stimulate enterprise and increase post-war employment.

Referendum 25 Furthers War Effort

The power companies fought tooth and nail to deprive this state of Bonneville and Grand Coulee dams and transmission lines. Now they ad-

mit that without these dams and lines it would be impossible to produce aluminum, ships, planes and other materials and weapons to win the war.

Public power has taken the lead in serving war industries. Under Referendum 25 it can do this much more effectively.

Referendum 25 Will Produce Tax Revenue

Present law requires power districts to pay gross revenue taxes which in practice equal or exceed the property taxes paid by private companies owning comparable power properties. Referendum 25 requires the agencies created under it to pay still higher taxes while expressly prohibiting them from levying any taxes or issuing general bonds.

In addition to paying taxes, public power creates new sources of tax revenue by encouraging tax-paying businesses to locate where low power rates are available.

Bonneville and Grand Coulee—for Power Companies or the People?

This is the real issue in this campaign.

Unless the municipalities and power districts are enabled by Referendum 25 to distribute Bonneville and Grand Coulee power, the power companies are left free to "corner" it for themselves. If they can defeat 25 they can levy tribute of millions from the people for distributing power from the people's own dams.

Vote **FOR** Referendum 25.

Washington Machinists' Council, Tom Barrington, Chairman, Legislative Committee.

Aeronautical Industrial District Lodge No. 751, Robert H. LeDoux, Vice-President.

Boilermakers Local 104, Joe Clancey, Secretary Treasurer, AFL Union
CIO, Roy W. Atkinson, Regional Director

Northwestern Council, Lumber & Sawmill Workers Union, AFL, John M. Christenson, Pres.

Puget Sound District Council, Lumber & Sawmill Workers Union, AFL, Michael T. Costello, Sec.

Spokane County Public Utility District League, J. E. McGoran, President.

City Light Employees Assoc., Thomas H. Reid, Pres., Ester Nelson, Sec., Regina E. Preston, Vice-Pres.

The Union Register (Official Newspaper, Lumber & Sawmill Workers, AFL) H. K. Kendall, Ed.

Boilermakers Union, AFL, Leo Kocher, Business Representative.

Snohomish County CIO Council, Charles L. Meyer, Ex. Sec.

Snohomish County Pomona No. 12, Thomas E. Long, Master.

Public Forum, Spokane, S. L. Peterson, Pres.; Joseph E. Nisbitt, Sec. J. F. Aiken, Attorney, Spokane.

John E. Blair, Attorney, Spokane.

E. Ben Johnson, Attorney, Spokane.

Washington Public Power League, A. B. Lind, President.

Peaceful Valley Improvement Club, Frank Anderson, President.

Washington Progressive Legislative Committee, Mandel Nieder, Sec.

CIO Local 2-101-IWA, Everett, C. T. Sorenson, President.

Carpenters Union AFL, Everett, N. G. Walter.

Lumber & Sawmill Workers Union, AFL, Local 2519, E. C. Jorgensen, Business Agent.

Lumber & Sawmill Workers Union, AFL, Local 2767, Isaac Crumb, Business Agent.

David E. Rhea, Prosecuting Attorney Jefferson County, Port Townsend.

James F. Richmond, Assistant County Auditor, Jefferson County.

Hugh Nisbet, County Commissioner, Jefferson County, Chimacum.

Wesley J. Martin, Master Quimper Grange 720, Port Townsend.

Arthur Brown, Shingle Weavers District Council, AFL Union.

W. S. Porter, Farmer, Port Ludlow.

Naomi A. Benson, Housewife, Everett.

Fred B. Plath, Route 3, Yakima.

E. B. Velikanze, Attorney, Yakima.

Labor Consumers' League, Arthur Krueger, Executive Secretary.

STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State, August 9, 1944.

BELLE REEVES,
Secretary of State.

ARGUMENT AGAINST REFERENDUM MEASURE NO. 25

Referendum No. 25 (formerly Initiative No. 12) would hang a cumbersome form of state socialism around the necks of the people. It would permit combinations of PUD commissioners to create new corporations or Super-Commissions, **without a vote of the people**. These Super-Commissions would have power to take over all the existing business-managed electric systems, also **without a vote of the people**, and even against the people's expressed desire to retain their tax-paying, regulated utility service. These new Super-Commissions may then hand over the important power plants and major transmission systems to a tax exempt federal authority, and shuffle the remaining properties among the Super-Commissions and local PUDs.

The minority bloc of "public power" politicians promoting this measure wrote into it a so-called "emergency clause." By this device, they expected to sidestep widespread public opposition; but the Supreme Court unanimously decided this was not an emergency measure, and thus preserved the people's constitutional right to refer and reject it. 127,303 citizens promptly signed petitions to exercise this right.

Referendum No. 25 should receive a "No" vote because:

1. **State Socialism destroys American enterprise.** If socialistic zealots can grab the important tax-paying electric industry, in due course they or others will try to seize other important industries; and Washington may find itself up against the socialization of **all major industry**, a condition that brought about the demoralization of Germany and Italy, and culminated in the tragic dictatorships of Hitler and Mussolini. The paralyzing effect of industrial socialism upon community progress, and upon individual opportunity to get ahead in the world, has been demonstrated too often for the people to be fooled by rosy promises.

2. **People are fed up with bureaucrats.** Its promoters argue that Referendum 25 "will make it easier and cheaper for the districts to get into

business". If this be true (which is doubtful in view of the hodge-podge of hybrid Authorities the bill provides for), that in itself is a compelling reason for voting "No" Politics and politicians cannot operate any dynamic business efficiently, unless they work through a dictatorship repulsive to the instincts and cherished traditions of free people.

3. **Super-Commissions destroy home rule.** Under this bill, even in counties which have overwhelmingly rejected PUD organization, the people may be deprived of their tax-paying, business-managed electric service, if 51% of the value of any system may be found within the combined areas of the Super-Commission. The people in the counties where the other 49% is located would be helpless.

4. **Powerful authorities not created by people.** The people have no vote on the creation of the joint or super-commissions. The latter, once created, simply by adopting "resolutions", and again **without vote of the people**, could organize additional Authorities or Super-Super-Commissions to operate the properties. Such "top" Authorities would be twice removed from the voters. These hybrid political combinations, tied in with federal bureaucrats, could dominate the business, industrial, and political affairs of every community in the state.

5. **Political holding corporations run wild.** The new Super-Super Authorities would be largely a law unto themselves. Their chartered powers and rules of conduct would depend largely on their own "resolutions". They would be exempt from most of the controls and restraints which the people have seen fit to impose upon business-managed corporations, and upon all legitimately conceived municipal corporations.

6. **PUDs hopelessly entangled by outside commitments.** Once these joint commissions or super-bodies get going, their bond issues, power contracts, and other commitments to Eastern bond brokers and to federal and other Authorities would prevent the local PUDs from ever unscrambling the complex political and fi-

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nancial entanglements, and from regaining control over their own local affairs and destinies.

7. **Referendum No. 25 would hamper recovery.** The adoption of this measure, originally promoted by the "public power" politicians under the false guise of aiding the war effort, would hamstring post-war recovery and the restoration of normal activity and enterprise. To tear apart the present tax-paying electric systems, and disperse their experienced and responsible operating organizations, would be to destroy an essential part of the state's industrial structure at a time when the full strength of the state is needed to provide employment and help pay the enormous costs of the war.

The voters should not be humbugged by promoters' misleading propaganda. Those who may have been complacent over the threatened socialization of the electric industry should reflect on the consequences of

extending the same political theorizing to other vital industries—food raising, processing and distribution, clothing manufacture and sale, housing, transportation, news publishing, gasoline, and other industries essential to every citizen. These may all be socialized under state and federal bureaucracies, but who wants to be regimented under any such political and economic tyranny?

Prudent citizens, concerned with preserving freedom of opportunity for themselves and their children, will safeguard their future by voting "No" on Referendum No. 25.

Committee opposed to Referendum No. 25

KINSEY M. ROBINSON,
Chairman, Spokane,
J. E. E. ROYER, Spokane,
LYMAN J. BUNTING,
Yakima,
JOSEPH H. HALL, Vancouver.

STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State June 24, 1947.

BELLE REEVES,
Secretary of State.

ARGUMENT AGAINST REFERENDUM MEASURE NO. 25

We, the Central Labor Council of the City of Bellingham, oppose the passage of Referendum Measure No. 25 (Initiative No. 12 to the Legislature) for the following reasons:

At this time of public stress, due to the serious emergency that the American people are facing, we find a tendency among certain political representatives of the people to forget the principle of cooperation and understanding that has built this nation to its present high standard. This trend is exemplified by anti-labor legislation and efforts on the part of government agencies to obtain control over labor and business.

The gains which labor has made in this country, unparalleled in any other nation, have been made possible by the freedom of action of both labor and business as guaranteed by a system of free enterprise. Organized labor wishes to guarantee for the future the same opportunity for progress that it has enjoyed in the past.

The unfriendly attitude of various government bureaus toward organized labor is proof of the necessity of curbing the growing tendency toward government control as exemplified by Referendum No. 25.

This measure would place the control of the generating and distributing facilities of this state in government bureaucratic hands, which would bring about a serious loss of rights of the people in the state.

We oppose any measure that will tend to place control of this vital power industry into the hands of the government bureaucrats. The rights of the American working people should be protected from the threat of dictatorship.

Organized labor is representative of the working people of this nation and its sons and brothers constitute the

larger portion of the armed forces who are now fighting the dictators. It behooves us on the home front to oppose any tendency toward government control of labor or business as exemplified in fascist controlled countries.

We believe that organized labor, guarding as always the future of itself and its children, should oppose any trend towards bureaucracy or government control of labor or business and vote no on Referendum No. 25.

BELLINGHAM CENTRAL LABOR COUNCIL

O. WEIRAUCH,
President

BLANCHE HODGE,
Executive Secretary

Culinary & Beverage Workers Local
529—Ida M. Peterson, Sec'y.

Furniture Workers Local 3106—J. E.
McCaffery, Pres.

Retail Clerks Union No. 240—R. M.
Fosse, Sec'y.-Treas.

O. Weirauch, Roofer L. U. No. 78

International Brotherhood of Electrical
Workers, L. U. B. 77-15, W. F.
Tuttle, Vice-Pres.

Bldg. Laborers Local Union No.
276—Francis Walker, President

Carpenters Local No. 756—Fred Dun-
stone, President

Electricians Local No. 1032 I. B. E. W.
—J. J. Kane

Building Laborers Local No. 276—
H. Biesheurel

Bellingham Labor News, Inc.

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State, June 24, 1943.

BELLE REEVES,
Secretary of State.

ARGUMENT AGAINST REFERENDUM 25 BY STATE-WIDE CITIZENS' COMMITTEE

The 45 persons whose names are listed below are the original members of this Committee. They are, as you see, a cross section of the state, representing labor, agriculture, business and the professions. The membership has multiplied until today, August 25, it totals 21,954 signed-up members—all vigorously opposed to Referendum 25.

Keep What We Have

We oppose tearing apart the present satisfactory public and private electric systems, to substitute a political monopoly. We believe the citizens of Washington are well satisfied with their present electric service, whether public or private, and want to retain its advantages.

State Labor Convention Refuses to Endorse "25"—Other Labor Opposition

The 1944 convention of the Washington State Federation of Labor at Wenatchee, in July, refused to endorse Referendum 25, because it does not protect Labor's interests (see State Labor News, July 28, 1944).

The Central Labor Councils of Bellingham and Anacortes have gone on record opposing Referendum 25, and "The Tacoma Labor Advocate" has voiced vigorous opposition. The International Brotherhood of Electrical Workers is strenuously working against it.

The International Brotherhood of Teamsters is opposing Referendum 25.

Threat to Cities—Examples of Seattle, Tacoma, Spokane—No Vote of the People

The threat of Referendum 25 to cities and towns in Washington is shown by the examples of Seattle, Tacoma and Spokane.

In Seattle, Puget Sound Power & Light's system could be taken over by a "Joint Commission" of counties outside King County, to the detriment of Seattle City Light.

In Tacoma, as pointed out by S. A. Gagliardi, attorney, Referendum 25 would permit future city commissioners to turn Tacoma City Light over to

an outside "Joint Commission". (Tacoma News Tribune, February 10, 1943.)

A "Joint Commission" composed of outside counties could take over the Washington Water Power system in Spokane.

AND THIS COULD BE DONE WITHOUT A VOTE OF THE PEOPLE OF THESE CITIES!

Political Monopoly by a Few

Referendum 25 is skillfully set up so that three politicians could control electric power, state-wide—no responsibility to the people—no regulation by State authorities.

Federal Control in the End

Already, Federal "powercrats" on the Federal payroll are campaigning for Referendum 25—because it will mean that Federal authorities will then buy or lease generating plants from "Joint Commissions". And by control of the source of electricity, control of electric power will move to Washington, D. C.

"25" Means Higher Taxes

Already, more than \$2,000,000 in additional PUD taxes has been levied on the people. With money needed to finance "Joint Commissions", more taxes will be levied by the power politicians if Referendum 25 passes—**AND THEY COULD LEVY \$900,000 A YEAR IN TAXES ON YOU AND OTHER TAXPAYERS.**

"25" Means More Debt

If Referendum 25 should pass, more than \$200,000,000 worth of electric properties would go on the promoters' auction block. Who would pay off this debt? You would, of course, for regardless of the "revenue bond" label, bonds are borrowed money which must be paid back, with interest.

Threat to PUDs and REAs

What will happen to the PUDs already in existence, under the "Joint Commissions" and "Authorities" provided for under Referendum 25? They will lose all local control to these top

Argument Against Referendum Measure No. 25

political groups. And the REAs? They will find themselves absorbed by or competing with these new "Joint Commissions" and "Authorities".

Watch Out!

Referendum 25 Is Different

Its effects are more far-reaching than any measure ever to come before the people. Like the Wagner-Murray-Dingell Bill to socialize all medicine, or the Kilgore Bill to socialize all scientific research, Referendum 25 is the first step toward socializing all labor and all business.

On behalf of the Committee before mentioned and whose names, addresses and occupations are as follows, we submit this argument.

Joseph K. Alderson, Wilbur, Farmer
Emmett T. Anderson, Tacoma, Printer
Henry N. Clerf, Ellensburg, Farmer
Roger Cutting, Seattle, Lead Products
N. A. Davis, Walla Walla, Banker
Dave DeSelle, Snohomish, Farmer
J. N. Donovan, Bellingham, Lumberman
J. N. Emerson, Pullman, Merchant
Leo F. Flynn, Seattle, Labor Leader
S. A. Gagliardi, Tacoma, Lawyer
Lloyd E. Gandy, Spokane, Lawyer
W. E. Ginder, Camas, Boss Machine Tender
Denney Givens, Bremerton, Labor Leader
Ed Halberg, Port Angeles, Theatre Operator
Jos. E. Hall, Vancouver, Lawyer
Harrison J. Hart, Seattle, Tug Operator
Wylie Hemphill, Seattle, Merchant
Matthew W. Hill, Seattle, Lawyer
Bruce Hood, Montesano, Newspaperman
L. B. Hope, Chehalis, Dairyman
E. S. Johnston, Pasco, Grain Dealer

Eric Johnston, Spokane, Pres. U. S. Chamber of Commerce
Mrs. H. B. Jones, Seattle, Housewife
C. B. Lafromboise, Enumclaw, Newspaperman
Gerald Longstreth, Tacoma, Insurance
Ben Meeks, Tacoma, Labor Leader
S. S. McIntyre, Sedro-Woolley, Steel & Iron
Farlin Nye, Tacoma, Heating
Dr. John O'Shea, Spokane, Physician, Surgeon
Ed Roehl, Wenatchee, Orchardist
Nat S. Rogers, Seattle, Raw Materials Dstr.
Sam A. Rossier, Sunnyside, Insurance
J. E. E. Royer, Spokane, Public Utility
Chas. Rumbolz, Okanogan, Orchardist
Ed P. Ryan, Spokane, Realtor
Paul Sceva, Tacoma, Rainier Natl. Park
Gordon Scott, Seattle, Building Materials
Howard Seabury, Tacoma, Insurance
Alfred S. Shemanski, Seattle, Retailer
Don Smith, Toppenish, Farmer
Sam Stocking, Tacoma, Dock Operator
L. J. Thaller, Tacoma, Labor Leader
Mrs. Grover Thornton, Kelso, Housewife
Stanton Warburton, Tacoma, Real Estate
Willard Young, Sumner, Wood Products

WASHINGTON STATE
CITIZENS' COMMITTEE
AGAINST REFERENDUM 25

WYLIE HEMPHILL,
Chairman
MATTHEW W. HILL,
Executive Secretary

STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State, August 25, 1944.

BELLE REEVES,
Secretary of State