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1938

RETIREMENT LIFE PAYMENTS

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RETIREMENT LIFE PAYMENTS California Proposition 25 (1938).
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25	**RETIREMENT LIFE PAYMENTS.** Initiative Constitutional Amendment. Provides for State Retirement Life Payments Administrator, appointed by Governor from three named persons, appointee serving until successor elected in 1940 for four years. Requires State issue retirement compensation warrants, and redemption stamps to be affixed thereon weekly to redeem warrants annually. Requires weekly issuance of at least thirty $1.00 warrants during his life to each qualified California elector fifty years of age not employer nor employed, redeemable in cash by Administrator and receivable in payment of taxes and certain other obligations due to or from State or political subdivisions.	YES NO	

(For full text of measure, see page 56, Part II)

Argument in Favor of Initiative Proposition No. 25

RETIREMENT LIFE PAYMENTS

Two Per Cent Maximum—Probably Much Less—for New Business

In response to common knowledge that "something must be done"—to check the rise of national debt, to promote abundant production, to assure mass purchasing power equal to mass productive capacity, to solve unemployment, to end the need of doles, to care for senior citizens—Retirement Life Payments is proposed to California as a state constitutional amendment.

mendment provides a new *form of redeem-* *credit* known as "California Retirement ompensation Warrants" issued in *one-dollar denominations.*

The "warrants" are one-year promissory notes, self-redeemable at maturity in United States money.

Redemption fund is provided by weekly payments by users of warrants at two cents per dollar per week. They will create new business at a maximum cost of two per cent, but because the turnover may exceed once each week, this cost would reduce proportionately.

What are costs paid for new business? Let each merchant put that question and answer honestly. The "warrant plan" means more to business men than to individual recipients.

No Undesirable Inflation of Prices

Since real wealth will be approximately doubled by the warrant system, inflation in prices will not occur. Inflation is purchasing power in excess of production of goods.

Total issue of "warrants" is (estimated) at one billion dollars or less, and wealth production through their use at four billion dollars. *Safety valve against undesirable inflation is supplied by continual warrant redemption.* Failure to retire credits is the greatest weakness of our credit economy.

"Warrants" will be evenly distributed to five hundred thousand people weekly. They will increase business for every merchant who cooperates in the plan. It contemplates the widest spread buying ever seen.

It Involves No Tax

It involves *no tax* or *cost to taxpayers* now or later. The two-cent stamp attached weekly is a simple method disposing of each warrant by retirement in the same manner an automobile or a home is paid for in weekly or monthly payments. Automobiles are used before fully paid for—they move, circulate—so will retirement compensation warrants move and circulate. Thus, consumer's goods are delivered to new buying power and new income is delivered to the merchant and the producer. Compare two-cent *weekly* redemption requirement with the present three per cent sales tax. Two persons—a clothier and a druggist—exchange a single silver dollar back and forth, once each day, one buys a dollars worth of goods from the other each day for the 313 business days of the year. They transact a volume of business totaling $313.00. In the end, one of them possesses the original dollar with which they started. If $313.00 of business be done with a one-dollar "warrant," it is redeemed with a United States dollar and merchants are in the same position as if they had used the silver dollar instead of the warrant, except: the use of the warrant will require an expense of four cents, but will save 313 times three cents sales tax or a total of $9.39. Retirement "warrants" are sales tax exempt. Moreover, warrant business will be *state income tax exempt.*

PETITION CAMPAIGN COMMITTEE
for
Thirty Dollars a Week for Life
California State Pension Plan.

WILLIS ALLEN,
Campaign Director.

ROY G OWENS,
Engineer-Economist.

CARL S. KEGLEY,
Chief Counsel.

Argument Against Initiative Proposition No. 25

This constitutional amendment pretends to provide thirty dollars per week for qualified individuals. It makes no such provision. At most, beneficiaries of its terms would receive warrants of an arbitrarily designated amount, but subject to an obligation for redemption in excess of the face amount of the warrants. Except for use in payment of obligations to the State or its agencies, the warrants would be liabilities instead of assets.

The warrants would be distributed to the rich and poor alike. At least half of those qualified to receive these warrants are financially well situated. Any value which the warrants might represent would result from a corresponding burden on our economic resources. Values can not be created out of thin air. The ability of our economic resources to provide values for distribution to citizens should be protected for the benefit of needy and deserving citizens, and not squandered by distributing such values indiscriminately to the wealthy as well as to the poor.

These warrants could not circulate in private business transactions. There are at least five hundred thousand individuals who would qualify to receive warrants. This would result after one year in seven hundred eighty million dollars of warrants being constantly outstanding. If the warrants were to be usable it would be necessary for this amount to change hands each week. This would require transactions of over forty billion dollars per year. The total income of the people of the United States is only eighty billion dollars per year. Business transactions in this State could not, under any conditions, provide a volume sufficient to support in circulation even a small fraction of the warrants which would be issued. Inability of the warrants to circulate would destroy their value except for public payments, since no one could afford to hold them. The stamp charges (2 per cent a week) would be prohibitive.

California's workers, farmers and business men, could not, in any event, afford to pay the usurious rate of 2 per cent a week for a medium of exchange, especially when the Federal government provides money without any stamp charges.

These warrants would have a slight value because made acceptable at face value in payment of obligations to the State and its agencies. They would be bought at a trivial price for such use. At the end of a year our public treasuries would be filled with them. Our State and local governments, our schools, our publicly owned utilities, water and power departments, irrigation districts and other public enterprises would be bankrupt. The State would have no money with which to administer social security or provide relief for the needy or pensions for the aged.

A few people (less than 15 per cent of our population, and many of them well to do) would have received for a brief period paltry benefits, possibly ten cents on the dollar, which the State would have paid for, dollar for dollar, by accepting the warrants at face value in payment of taxes and other obligations.

DANIEL C. MURPHY,

JEFFERSON E. PEYSER,

BYRON C. HANNA.