

1946

THE VETERANS' BOND ACT OF 1946

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Part I—Arguments

FOR THE VETERANS' BOND ACT OF 1946. This act provides for a bond issue of one hundred million dollars (\$100,000,000) to be used by the Veterans' Welfare Board in assisting California war veterans to acquire farms and homes.

AGAINST THE VETERANS' BOND ACT OF 1946. This act provides for a bond issue of one hundred million dollars (\$100,000,000) to be used by the Veterans' Welfare Board in assisting California war veterans.

(For full text of measure, see page 1, Part II)

Argument in Favor of Veterans' Bond Act of 1946

For years to come, housing will be a most serious problem for our discharged veterans. This bond issue is the most effective means at our command to give World War II veterans an opportunity to own a home or farm.

That this is most desirable and soundest method of providing farms and homes for veterans has been proven by experience. By five previous bond issues, California has made available \$80,000,000 for World War I veterans, and in 1943 made available \$30,000,000, primarily for World War II veterans. Under these bond issues 22,000 veterans have acquired homes and farms, of whom 3,000 are World War II veterans. Veterans of World War II are about six times those of World War I. This bond issue will make available a sum equal to that of all the previous bond issues and yet the amount is small in comparison to the number of eligible veterans.

These bond issues have never cost the taxpayers of California anything. The records show that individual loans are promptly repaid and that almost two-thirds of the loans have been repaid. Of the first four bond issues \$52,690,000 have been paid and the balance will be retired within 10 years. Loans to veterans are safe investments for California, as the title to the veterans' property is held by the State until paid for. The administration has been prudent and efficient.

A veteran may borrow up to \$7,500 on a home, worth not over \$10,000 and up to \$13,500 on a farm worth not over \$15,000. The interest rate is established at 3 per cent and will be established

yearly by the board at not lower than 2½ per cent or higher than 4 per cent. The loan is amortized over any period up to 40 years.

The greatest good that we can do for the veteran is to encourage him or her to acquire his or her own home or farm. Such a program will also promote and develop small farms and the cultivation of large undeveloped farm areas in our State.

While the Federal Government provides farm and home loans, through the GI Bill of Rights, it does not fill the whole need. The advantage of the State loan is that it can be spread over a long period of years and needs no other financing. It supplements and does not compete with the Federal program.

This measure will, more than any other thing that the State can do for its veterans, solve for him or her their pressing housing needs. If California neglects to do this, it will have failed in its obligations and promises to those who kept the war from our shores. In this way let us show our appreciation to the veterans of California, men and women who won an overwhelming victory over a cruel and powerful enemy who would have destroyed us but for their valiant fighting. Let them acquire their own farms and homes in the country they saved.

Vote Yes.

IRWIN T. QUINN

Senator, Humboldt County

GEORGE J. HATFIELD

Senator, 24th Dist.

WALTER J. FOURT

Assemblyman, 38th Dist.

DON A. ALLEN

Assemblyman, 63d Dist.

GREYHOUND RACING. INITIATIVE. Permits greyhound racing and pari-mutuel wagering thereon in counties having population over 175,000. Establishes board to license racing and wagering in accordance with this measure and regulations the board may prescribe. Authorizes 74 racing days per year in Los Angeles County and in San Francisco Metropolitan area, 25 days in other counties. Provides 8 per cent of all sums wagered be retained by pari-mutuel pool operator, 4 per cent be paid to fund for pursuing claims of veterans against the United States or this State, and for veterans' rehabilitation. Provides penalties for violating act.

YES

NO

(For full text of measure, see page 3, Part II)

Argument in Favor of Initiative Proposition No. 2

This amendment permits greyhound racing in California under strict State supervision, with guaranteed benefits to California's 1,500,000 war veterans through payment of 4 per cent of track wagers into a Veterans Fund.

This fund, administered by the State's Department of Veterans Affairs, would make available

\$2,000,000 or more annually for veterans' welfare and rehabilitation, including support of the Veterans Home of California, or of any similar home the State may establish.

California taxpayers would be relieved of a huge financial burden by shifting support of the veterans' welfare program from State tax sources to state-supervised greyhound racing.

State taxes now finance field work and facilities to assist veterans or their dependent

[Two]

Part II—Appendix

1	FOR THE VETERANS' BOND ACT OF 1946. This act provides for a bond issue of one hundred million dollars (\$100,000,000) to be used by the Veterans' Welfare Board in assisting California war veterans to acquire farms and homes.
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	AGAINST THE VETERANS' BOND ACT OF 1946. This act provides for a bond issue of one hundred million dollars (\$100,000,000) to be used by the Veterans' Welfare Board in assisting California war veterans.
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This proposed law, by act of the Legislature passed at the Extraordinary Session of the Fifty-sixth Legislature is submitted to the people in accordance with the provisions of Article XVI of the Constitution.

(This proposed law does not expressly amend any existing law; therefore the provisions thereof are printed in **BLACK-FACED TYPE** to indicate that they are **NEW**.)

PROPOSED LAW

An act to add Article 5A, comprising Sections 993 to 994.3, inclusive, to Chapter 6 of Division 4 of the Military and Veterans Code, authorizing the creation of a debt or debts, liability or liabilities, through the issuance and sale of State bonds, for the single object of creating a fund to provide farm and home aid for veterans in accordance with the provisions of the Veterans Farm and Home Purchase Act of 1943; defining the powers and duties of said committee and of the Veterans' Welfare Board and other State officers in respect to the administration of the provisions hereof; providing ways and means, exclusive of loans, for the payment of the interest of such debt or debts, liability or liabilities, as such interest falls due, and also for the payment and discharge of the principal of such debt or debts, liability or liabilities, as such principal matures; appropriating money for the expense of preparing and of advertising the sale of bonds herein authorized to be issued; and providing for the submission of this act to a vote of the people at the general election to be held in the month of November, 1946.

The people of the State of California do enact as follows:

Section 1. Article 5A, comprising Sections 993 to 994.3, inclusive, is added to Chapter 6 of Division 4 of the Military and Veterans Code, to read:

Article 5A. Veterans Bond Act of 1946

993. This article may be cited as the Veterans Bond Act of 1946.

993.1. For the purpose of creating a fund to provide farm and home aid for veterans in accordance with the provisions of the Veterans Farm and Home Purchase Act of 1943, and of all acts amendatory thereof or supplemental thereto, the Veterans' Finance Committee of 1943 shall be and it hereby is authorized and empowered to create a debt or debts, liability or liabilities, of the State of California, in the manner and to the extent hereinafter provided, but not otherwise, nor in excess thereof.

993.2. After the issuance of the Proclamation of the Governor announcing the ratification of this article, and immediately after adoption of any resolution by the Veterans' Finance Committee of 1943, provided for in Section 994.1, the State Treasurer shall prepare the requisite number of suitable bonds of the denomination of one thousand dollars (\$1,000) in accordance with the specifications contained in such resolution. The aggregate par value of all bonds issued under this article shall not exceed the sum of one hundred million dollars (\$100,000,000), and the bonds issued under any such resolution shall bear interest from the date of issuance of said bonds to the date of maturity thereof, at a rate to be determined by the said Veterans' Finance Committee of 1943 and specified in such resolution, but in no case exceeding 5 per cent per annum. Both principal and interest shall be payable in lawful money of the United States, at the office of the State Treasurer, or at the office of any duly authorized agent of the State Treasurer, and shall be so payable at the time specified in said resolution or resolutions.

All bonds issued under this article shall bear the facsimile signature of the Governor and the facsimile countersignature of the Controller and shall be endorsed by the State Treasurer either by original signature or by a signature stamp adopted for each particular bond issued under this article and the bonds shall be signed,

countersigned and endorsed by the officers who shall be in office on the date of issuance thereof, and each of said bonds shall bear an impress of the Great Seal of the State of California. The bonds so signed, countersigned, endorsed and sealed, when sold, shall be and constitute a valid and binding obligation upon the State of California, although the sale thereof be made at a date or dates upon which the officers having signed, countersigned and endorsed said bonds, or any or either of said officers, shall have ceased to be the incumbents of the offices held by them at the time of signing, countersigning, or endorsing said bonds. Each bond issued under this article shall contain a clause or clauses stating that interest shall cease to accrue thereon from and after the date of maturity thereof and referring to this article and to the resolution of the Veterans' Finance Committee of 1943 hereunder by virtue of which said bond is issued.

993.3. The requisite number of suitable interest coupons, appropriately numbered, shall be attached to each bond issued under this article. Said interest coupons shall bear the facsimile signature of the State Treasurer who shall be in office on the date of issuance of the bond to which said coupons pertain.

993.4. All bonds issued under this article and sold shall be deemed to have been called in at their respective dates of maturity and the State Treasurer shall, on the respective dates of maturity of said bonds, or as soon thereafter as said matured bonds are surrendered to him, pay the same out of the proceeds of the Controller's warrants drawn in his favor as provided in Section 993.5 and perforate the bonds so paid with a suitable device in a manner to indicate such payment and the date thereof. He shall also, on the said respective dates of maturity, cancel all bonds bearing said dates of maturity and remaining unsold, by perforation with a suitable device in a manner to indicate such cancellation and the date thereof. The provisions of this section shall be applicable also to the interest coupons pertaining to the bonds authorized by this article to be issued, and shall be applicable, as far as practicable, to any duly authorized agent of the State Treasurer.

993.5. There is hereby appropriated from the General Fund in the State treasury such sum annually as will be necessary to pay the principal of and the interest on the bonds issued and sold pursuant to the provisions of this article, as said principal and interest become due and payable.

There shall be collected annually in the same manner and at the same time as other State revenue is collected such a sum, in addition to the ordinary revenues of the State, as shall be required to pay the principal and interest on said bonds as herein provided, and it is hereby made the duty of all officers charged by law with any duty in regard to the collections of said revenue, to do and perform each and every act which shall be necessary to collect such additional sum.

On the several dates of maturity of said principal and interest in each fiscal year, there shall be returned into the General Fund in the State treasury, all of the moneys in the Veterans' Farm and Home Building Fund of 1943, not in excess of the principal of and interest on the said bonds then due and payable and, in the event of such moneys so returned on said dates of maturity being less than the said principal and interest then due and payable, then the balance remaining unpaid shall be returned into the General Fund in the State treasury out of said Veterans' Farm and Home Building Fund of 1943 as soon thereafter as it shall become available, together with interest thereon, from such dates of maturity until so returned, at the same rate as borne by the bonds, compounded semiannually.

Both principal and interest of said bonds shall be paid when due upon warrants duly drawn against said appropriation from the General Fund by the Controller of the State in favor of the State

Treasurer or in favor of any duly authorized agent of the State Treasurer, upon demands audited by the State Department of Finance, and the moneys to be returned into the General Fund in the State treasury pursuant to the provisions of this section shall likewise be paid as herein provided upon warrants duly drawn by the Controller of the State upon demands duly audited by the State Department of Finance.

993.6. The sum of thirty-five thousand dollars (\$35,000) is hereby appropriated out of any money in the State treasury not otherwise appropriated to pay the expenses that may be incurred by the State Treasurer in having said bonds prepared and in advertising their sale. Said amount shall be refunded to the General Fund in the State treasury out of the Veterans' Farm and Home Building Fund of 1943 on Controller's warrant duly drawn for that purpose.

993.7. When the bonds authorized to be issued under this article shall be duly executed, they shall be by the State Treasurer sold at public auction to the highest bidder for cash, in such parcels and numbers as the said Treasurer shall be directed by the Governor of the State, under seal thereof, after a resolution requesting such sale shall have been adopted by the Veterans' Welfare Board and approved by the Governor of the State, but the Treasurer must reject any and all bids for said bonds, or for any of them, which shall be below the par value of said bonds so offered plus the interest which has accrued thereon between the date of sale and the last preceding interest maturity date; and with the approval of the Governor, he may from time to time, by public announcement at the place and time fixed for the sale, continue such sale, as to the whole of the bonds offered, or any part thereof offered, to such time and place as he may select. Before offering any of said bonds for sale the said Treasurer shall detach therefrom all coupons which have matured or will mature before the day fixed for such sale.

993.8. Due notice of the time and place of sale of all bonds shall be given by said Treasurer by publication in one newspaper published in the City and County of San Francisco and also by publication in one newspaper published in the City of Sacramento and by publication in one newspaper published in the City of Los Angeles once a week during four weeks prior to such sale. In addition to the notice last above provided for, the State Treasurer may give such further notice as he may deem advisable, but the expense and cost of such additional notice shall not exceed the sum of five hundred dollars (\$500) for each sale so advertised. The proceeds of the sale of such bonds and such amount as may have been paid as accrued interest thereon shall be forthwith paid over by said Treasurer into the Veterans' Farm and Home Building Fund of 1943 and must be used exclusively in aiding veterans in the acquisition of, or payments for, farms and homes, in accordance with the provisions of this chapter; provided, that the proceeds from the sale of said bonds may be used to pay the debt created by the issuance and sale thereof.

993.9. The Veterans' Welfare Board is authorized, with approval of the State Department of Finance, to invest any surplus moneys in the Veterans' Farm and Home Building Fund of 1943 in bonds of the United States, or of the State of California, or of the several counties or municipalities or other political subdivisions of the State of California, and to sell such bonds, or any of them, at the governing market rates, upon approval of the State Department of Finance; or the Veterans' Welfare Board may, with the approval of the Director of Finance, invest moneys in such fund, in interest-bearing certificates of deposit of State banks having a paid-up capital of five hundred thousand dollars (\$500,000) or more; provided, that the total amount of money so deposited with any one bank shall not exceed a sum equal to 50 per cent of the paid-up capital of such bank; provided, however, that nothing herein contained shall inhibit or be construed to inhibit the depositing in banks in accordance with Chapter 4, Part 2, Division 4, Title 2 of the Government Code, of moneys of any of the funds subject to the control of the Veterans' Welfare Board or appropriated for its use.

Interest accruing upon the deposit of moneys of the Veterans' Farm and Home Building Fund of 1943 shall be paid into and credited to said fund.

994. Upon request of the Veterans' Welfare Board, supported by a statement of the plans and projects of the Veterans' Welfare Board with respect thereto, the Veterans' Finance Committee of 1943 shall determine whether or not a bond issue under this article is necessary or desirable to carry such plans and projects into execution.

994.1. Whenever the Veterans' Finance Committee of 1943 shall have determined that a bond issue under this article is necessary or desirable to carry such plans and projects into execution, it shall adopt a resolution to this effect. The said resolution shall authorize

and direct the State Treasurer to prepare the requisite number of suitable bonds and shall specify:

1. The aggregate number, aggregate par value, and the date of issuance of the bonds to be issued.
2. The date or dates of maturity of the bonds to be issued and the number and numerical sequence of the bonds maturing at each date of maturity.
3. The annual rate of interest which the bonds to be issued shall bear.
4. The number, numerical sequence, amount or amounts and the dates of maturity of the interest coupons to be attached to the said bonds.
5. The technical form and language of the bonds to be issued and of the interest coupons to be attached thereto.

In determining the date or dates of maturity of the said bonds and the amount of bonds maturing at each date of maturity, the Veterans' Finance Committee of 1943 shall be guided by the amounts and dates of maturity of the revenues estimated to accrue to the Veterans' Welfare Board from the transactions to be financed by each issue, and shall fix and determine said dates and amounts in such manner that, together with the dates and amounts of interest payments on the said bond issue, they shall coincide, as nearly as practicable, with the dates and amounts of such estimated revenues; provided, that the bonds first to mature in each issue, shall mature not later than five years from the date of issuance thereof; provided further, that specified numbers of bonds of special numerical sequence shall thereafter mature at annual intervals; and provided further, that the bonds last to mature in each issue shall mature not later than 45 years from the date of issuance thereof.

The rate of interest to be borne by the bonds shall be uniform for all the bonds of the same issue and shall be determined and fixed by the Veterans' Finance Committee of 1943 according to the then prevailing market conditions, but shall in no case exceed 5 per cent per annum, and the determination of said committee as to the rate of interest shall be conclusive as to the then prevailing market conditions. The interest coupons to be attached to the said bonds shall be payable at semiannual intervals from the date of issuance of said bonds; provided, that the interest coupon first payable may, if the Veterans' Finance Committee of 1943 shall so determine and specify, be payable one year after the date of issuance of said bonds.

994.2. All actual and necessary expenses of the Veterans' Finance Committee of 1943 and of the members thereof incurred in the performance of their duties arising out of the provisions of this article shall be paid out of the Veterans' Farm and Home Building Fund of 1943, upon approval of the State Board of Control and on Controller's warrant duly drawn for that purpose, and shall constitute expenses of the Veterans' Welfare Board.

994.3. The State Controller, the State Treasurer and the Veterans' Finance Committee of 1943 shall keep full and particular account and record of all their proceedings under this article, and they shall transmit to the Governor an abstract of all such proceedings thereunder, with an annual report, to be by the Governor laid before the Legislature biennially; and all books and papers pertaining to the matter provided for in this article shall at all times be open to the inspection of any party interested, or the Governor, or the Attorney General, or a committee of either branch of the Legislature, or a joint committee of both, or any citizen of the State.

Sec. 2. This act, if adopted by the people, shall take effect on the fifteenth day of November, 1946, as to all its provisions except those relating to and necessary for its submission to the people, and for returning, canvassing, and proclaiming the votes, and as to said excepted provisions this act shall take effect immediately.

Sec. 3. This act shall be submitted to the people of the State of California for their ratification at the next general election, to be held in the month of November, 1946, and all ballots at said election shall have printed thereon and in a square thereof, the words: "For the Veterans Bond Act of 1946," and the same square under said words the following, in briefer type: "This act provides for a bond issue of one hundred million dollars to be used by the Veterans' Welfare Board in assisting California war veterans to acquire farms and homes." In the square immediately below the square containing such words, there shall be printed on said ballot the words, "Against the Veterans Bond Act of 1946," and in the same square immediately below said words, in briefer type shall be printed "This act provides for a bond issue of one hundred million dollars to be used by the Veterans' Welfare Board in assisting California war veterans." Opposite the words "For the Veterans Bond Act of 1946" and "Against the Veterans Bond Act of 1946," there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against said

act, and those voting for said act shall do so by placing a cross opposite the words, "For the Veterans Bond Act of 1946" and those voting against the said act shall do so by placing a cross opposite the words "Against the Veterans Bond Act of 1946." Provided, that here the voting of said general election is done by means of voting machines used pursuant to law in such manner as to carry out the intent of this section, such use of such voting machines and the expression of the voters' choice by means thereof, shall be deemed to comply with the provisions of this section. The Governor of this State shall include the submission of this act to the people, as aforesaid, in his proclamation calling for said general election.

Sec. 4. The votes cast for or against this act shall be counted, returned and canvassed and declared in the same manner and subject to the same rules as votes cast for State officers; and if it appears that said act shall have received a majority of all the votes cast for and against it at said election as aforesaid, then the same shall have

effect as hereinbefore provided, and shall be irrevocable until the principal and interest of the liabilities herein created shall be paid and discharged, and the Governor shall make proclamation thereof; but if a majority of the votes cast as aforesaid are against this act then the same shall be and become void.

Sec. 5. It shall be the duty of the Secretary of State in accordance with law to have this act published in at least one newspaper in each county, or city and county, if one be published therein, throughout this State, for three months next preceding the general election to be held in the month of November, 1946, the costs of publication shall be paid out of the General Fund, on Controller's warrants duly drawn for that purpose and shall be refunded to the General Fund out of the Veterans' Farm and Home Building Fund of 1943. Said refund shall be made upon Controller's warrants duly drawn against said fund for said purpose upon demands audited by the State Department of Finance.

GREYHOUND RACING. INITIATIVE. Permits greyhound racing and pari-mutuel wagering thereon in counties having population over 175,000. Establishes board to license racing and wagering in accordance with this measure and regulations the board may prescribe. Authorizes 74 racing days per year in Los Angeles County and in San Francisco Metropolitan area, 25 days in other counties. Provides 8 per cent of all sums wagered to be retained by pari-mutuel pool operator, 4 per cent to be paid to fund for pursuing claims of veterans against the United States or this State, and for veterans' rehabilitation. Provides penalties for violating act.

YES	
NO	

(This proposed law does not expressly amend any existing law; therefore, the provisions thereof are printed in **BLACK-FACED TYPE** to indicate that they are **NEW**.)

PROPOSED LAW

The people of the State of California do enact as follows:

GREYHOUND RACING

Article 1. General Provisions

Section 1. Definitions as used in this act:
 "Person" includes person, firm, corporation, or association.
 "Board" means the California Greyhound Racing Board.
 "Greyhound" means greyhounds that engage in contests of speed and endurance in a race.
 The singular number includes the plural and the plural the singular.
 "Wagering" includes "betting."
 "Meeting" means meeting within this State at which greyhound races are conducted pursuant to the terms of this act.
 "Greyhound race" or "race" means any race in which two or more greyhounds engage in a contest of speed or endurance, or pursue a mechanical rabbit.

Article 2. Administrations

Sec. 2. Greyhound Racing Board: Jurisdiction: Powers Generally. The jurisdiction and supervision over meetings in this State where greyhound races on the result of which there is wagering are held or conducted and over all persons or things having to do with the operation of such meetings, is vested in the California Greyhound Racing Board.
 The board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter.
 Sec. 3. Members of Board: Appointment: Terms: Filling of Vacancies: Reappointment. The board shall consist of three members, all of whom shall be appointed by the Governor after this act shall be in effect 15 days. The Governor at the time of making the appointment of said members, shall designate one to serve for the term of two years, one to serve for the term of three years, and one to serve for the term of four years. Before entering upon the discharge of the duties of his office, each member of the board shall take oath of office as provided by law.
 The term of office of each member thereafter appointed shall be four years from the expiration of the preceding term. Vacancies in said board shall be filled by the Governor for the unexpired term. Each member of said board shall be eligible for reappointment in the discretion of the Governor.
 Sec. 4. Same: Qualifications. Each member of the board shall have been a resident of this State for two years next preceding his appointment, and two of said members shall be registered breeders

of greyhounds with the National Greyhound Coursing Association for a period of one year or more prior to his appointment.

Sec. 5. Same: Persons Ineligible for Appointment. Every person who holds any financial interest in a race track or in the operation thereof within this State or in the operation of licensed wagering on the results of races, or who accepts any pecuniary reward for any race track in this State or from its operation or from the operation of licensed wagering on the result of races is disqualified for membership on the board or employment by the board.

Sec. 6. Same: Right to Receive Purse. No board member is disqualified to receive a share of any purse awarded him as the result of any race or as a breeder of California bred greyhounds.

Sec. 7. Same: Compensation: Traveling Expenses. The chairman of the board shall receive a salary of four thousand dollars (\$4,000) per year and each of the other board members shall receive a salary of twenty-four hundred dollars (\$2,400) per year, and their necessary traveling expenses.

Sec. 8. Same: Removal: Prerequisites. The Governor may remove any board member for cause, first giving the member a copy of the charges against him and an opportunity to be heard.

Sec. 9. Authority of Board: Summoning of Witnesses: Failure to Appear: Grade of Offense. The board may summon witnesses before it and administer oaths or affirmations to such witnesses whenever, in the judgment of the board, it may be necessary for the effectual discharge of its duties. Any person failing to appear before the board at the time and place specified, in answer to the summons or refusing to testify, is guilty of a misdemeanor.

Sec. 10. Same: Prescription of Manner of Keeping Records. The board may require that the books and financial or other statements of any person, corporation or association licensed under the provisions of this chapter shall be kept in any manner which to the board may seem best.

Sec. 11. Same: Investigations and Inspections. The board may visit, investigate, and place expert accountants and such other persons as it may deem necessary in the offices, tracks or places of business of any such person, corporation or association, for the purpose of satisfying itself that the board's rules and regulations are strictly complied with.

Sec. 12. Same: Compelling Production of Records Showing Receipts, etc. The board may compel the production of any and all books, memoranda or documents showing the receipts and disbursements of any person, corporation or association licensed under the provisions of this chapter.

Sec. 13. Maintenance of General Office: Place of Meetings: Quorum. The board shall maintain a general office for the transaction of its business in the City of Sacramento. The board may hold meetings at any other place when the convenience of the members of the board requires.