

1952

VETERANS FARM AND HOME BONDS

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Part I—Arguments

VETERANS FARM AND HOME BONDS. Assembly Constitutional Amendment No. 40. Adds Section 16 to Article XVI of Constitution. Authorizes issue and sale of one hundred fifty million dollars (\$150,000,000) in state bonds to provide funds to be used by State Department of Veterans Affairs in accordance with Veterans Farm and Home Purchase Act of 1943 in assisting California war veterans to acquire farms and homes. Brings into operation and validates Veterans Bond Act of 1951, governing issue, sale and redemption of such bonds.

YES

NO

(For Full Text of Measure, See Page 1, Part II)

Analysis by the Legislative Counsel *

This measure approves and makes effective the issuance and sale of state bonds not exceeding the sum of \$150,000,000 and use of the proceeds, as provided by the Veterans Bond Act of 1951 (Sections 996-996.12, inclusive, Military and Veterans Code), to provide a fund to be used for farm and home purchase aid pursuant to the Veterans' Farm and Home Purchase Act of 1943 (Sections 985-987.10, inclusive, Military and Veterans Code).

The Veterans Bond Act of 1951 provides that the bonds are to be general obligations of the State for the payment of which the full faith and credit of the State is pledged, and appropriates from the General Fund the sum necessary to make the payments of principal and interest on the bonds as they become due.

Money received as payments of principal and interest under contracts for the purchase or construction of farms and homes by veterans of World War I, World War II, or the present Korean campaign, under the Veterans' Farm and Home Purchase Act of 1943 is deposited in a special fund known as the Veterans' Farm and Home Building Fund of 1943. The bond act requires the maturity dates of the bonds to be fixed so as to coincide as nearly as possible with the receipt of these payments. It further requires that, on the due dates for payments of the principal and interest on the bonds, there be transferred to the General Fund from this special fund the amount necessary to make the payments of principal and interest. If the amount in the special fund is less than the amount of the payments then due, the balance must be transferred to the General Fund as soon as it becomes available, with interest from such dates of maturity at the same rate as is borne by the bonds.

The amounts of the bonds to be issued from time to time and their maturity dates are to be determined by the Veterans' Finance Committee of 1943, which consists of the Governor, State Treasurer, State Controller, Director of Finance, and Director of Veterans Affairs.

The proceeds of this bond issue will also be used to repay amounts temporarily advanced from the ordinary revenues of the State deposited in the General Fund, pursuant to Chapter 9 of the 1952 First Extraordinary Session. The Veterans' Farm and Home Building Fund of 1943 was exhausted early in 1952. The Legislature, accordingly, amended the Veterans' Farm and Home Purchase Act of 1943 to authorize advances from the General Fund for the purposes of the act and require repayment of the advances, with 1.74 percent interest, from proceeds of the sale of veterans' bonds, or, if bonds are not authorized, from the Veterans' Farm and Home Building Fund of 1943 within 21 years. The Legislature appropriated \$55,000,000 for this purpose, with the proviso that if this bond issue is re-

jected, the unexpended and unobligated balance of the appropriation ceases to be available and reverts to the General Fund.

Argument in Favor of Assembly Constitutional Amendment No. 40

In 1921 the people of California put into effect a plan to assist veterans to acquire farms and homes at low financing cost. It was felt that assisting veterans to acquire and own property was far more appropriate and worthwhile than any temporary or less substantial favor. The greatest good that can be done for the veteran is to encourage him or her to acquire his or her "home sweet home." It establishes the veteran, provides family security, and makes each community richer to that extent.

Funds for these low-cost loans have been supplied through bond issues and in the years since the program was started the people have overwhelmingly voted additional bond issues to continue the program. The veterans have been so prompt and faithful in meeting their repayment installments that maturing bonds have been paid without any expenditure of the tax payers' money whatsoever.

Housing still continues as a serious problem in California and the revolving funds of our Veterans Farm and Home Loan Purchase Plan are all in use. There are more than 1,000,000 veterans in California and 254,000 have applied for these loans. The average applicant is 34 years old and is supporting children in his family, yet thousands are waiting without homes. Therefore the Legislature has asked the people of California to authorize the issuance of another \$150,000,000 in bonds. Normal mortgage money may be available from commercial lending agencies but it does not fill the whole need, especially where the veteran is concerned. Typical advantages of the state loan are 1) repayment can be spread over a longer period of years, 2) a lower rate of interest and smaller monthly payments are provided, and 3) no other financing is needed.

This is possible because the state uses its credit in making the money available to the veteran population. However, the present groups of returning veterans and all those now planning home ownership will not have this opportunity unless the funds are replenished.

This veterans' program has been an outstanding success for 30 years. We are sure you will want to vote YES.

SAM L. COLLINS

Speaker of the Assembly, Orange County

RICHARD H. MCCOLLISTER

Assemblyman, Chairman of Committee on Military Affairs, Marin and Sonoma Counties

NELSON S. DILWORTH

State Senator, Riverside County

* Section 1509.7 of the Elections Code requires the Legislative Counsel to prepare an impartial analysis of each measure appearing upon the ballot.

Part II—Appendix

VETERANS FARM AND HOME BONDS. Assembly Constitutional Amendment No. 40. Adds Section 16 to Article XVI of Constitution. Authorizes issue and sale of one hundred fifty million dollars (\$150,000,000) in state bonds to provide funds to be used by State Department of Veterans Affairs in accordance with Veterans Farm and Home Purchase Act of 1943 in assisting California war veterans to acquire farms and homes. Brings into operation and validates Veterans Bond Act of 1951, governing issue, sale and redemption of such bonds.

YES

NO

(This proposed amendment does not expressly amend any existing section of the Constitution, but adds a new section thereto; therefore, the provisions thereof are printed in **BLACK-FACED TYPE** to indicate that they are **NEW**.)

PROPOSED AMENDMENT TO THE CONSTITUTION

Sec. 16. The issuance and sale of bonds of the State of California, not exceeding in the aggregate the sum of one hundred fifty million dollars (\$150,000,000), and the use and disposition of the proceeds of the sale of said bonds, all as provided in the Veterans Bond Act of 1951 (Article 5C added to Chapter 6 of Division 4 of the Military and Veterans Code by Chapter 1086 of the Statutes of 1951) authorizing the issuance and sale of state bonds in the sum of one

hundred fifty million dollars (\$150,000,000) for the purpose of providing a fund to be used and disbursed 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 and supplemental thereto are hereby authorized and directed and said Veterans Bond Act of 1951 is hereby approved, adopted, legalized, ratified, validated, and made fully and completely effective upon the effective date of this amendment to the Constitution. All provisions of this section shall be self-executing and shall not require any legislative action in furtherance thereof, but this shall not prevent such legislative action. Nothing in this Constitution contained shall be a limitation upon the provisions of this section.

PUBLIC SCHOOL FUNDS. Initiative Constitutional Amendment. Amends Article IX, Section 6, of the State Constitution. Increases required State support for public schools to One Hundred Eighty Dollars per year for each pupil in average daily attendance, of which each local school district shall receive not less than One Hundred Twenty Dollars per pupil. To become operative July 1, 1953.

YES

NO

(This proposed amendment expressly amends an existing section of the Constitution, therefore, **EXISTING PROVISIONS** proposed to be **DELETED** are printed in **STRIKE-OUT TYPE**, and **NEW PROVISIONS** proposed to be **INSERTED** are printed in **BLACK-FACED TYPE**.)

PROPOSED AMENDMENT TO THE CONSTITUTION

Section 6. Each person, other than a substitute employee, employed by a school district as a teacher or in any other position requiring certification qualifications shall be paid a salary which shall be at the rate of an annual salary of not less than twenty-four hundred dollars (\$2400) for a person serving full time, as defined by law.

The Public School System shall include all kindergarten schools, elementary schools, secondary schools, technical schools, and State colleges, established in accordance with law and, in addition, the school districts and the other agencies authorized to maintain them. No school or college or any other part of the Public School System shall be, directly or indirectly, transferred from the Public School System

or placed under the jurisdiction of any authority other than one included within the Public School System.

The Legislature shall add to the State School Fund such other means from the revenues of the State as shall provide in said fund for apportionment in each fiscal year, an amount not less than ~~one hundred and twenty dollars (\$120)~~ **one hundred and eighty dollars (\$180)** per pupil in average daily attendance in the kindergarten schools, elementary schools, secondary schools, and technical schools in the Public School System during the next preceding fiscal year.

The entire State School Fund shall be apportioned in each fiscal year in such manner as the Legislature may provide, through the school districts and other agencies maintaining such schools, for the support of, and aid to, kindergarten schools, elementary schools, secondary schools, and technical schools except that there shall be apportioned to each school district in each fiscal year not less than ~~ninety dollars (\$90)~~ **one hundred and twenty dollars (\$120)** per pupil in average daily attendance in the district during the next preceding fiscal year and except that