

1958

HARBOR DEVELOPMENT BONDS

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HARBOR DEVELOPMENT BONDS California Proposition 4 (1958).
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Vote YES so that the State may continue its orderly and vitally necessary building construction program.

BRUCE SUMNER
Assemblyman, 74th District

Argument Against Assembly Constitutional Amendment No. 7

This proposal for an additional \$200,000,000 bond issue for construction of state buildings should be defeated. In November 1956 the voters approved a \$200,000,000 bond issue for this same purpose upon the express representation that the money was needed as a part of a \$400,000,000 five-year building program, one-half of which was to be paid out of current revenues. Governor Knight in his budget message of 1957-58 reaffirmed this plan in stating as follows:

"It is recommended that 50 million of the newly authorized state construction program bonds be issued to meet a portion of the cost of this program, the remainder to be financed from current revenue. This is in accordance with the plan of financing recommended when the \$200 million bond issue was proposed; that is, that the bond funds be allocated over the remaining four years of the five-year building program to supplement funds from current revenues." (Emphasis added.)

Now, only two years later, the administration is back asking the voters for another \$200 million. Why?

Because for the fiscal year 1958-59, the previous five-year program and the representations made to

secure voter approval of it was thrown out the window—and the entire remaining balance of the State Construction Program Bonds used to balance the budget, without any significant contribution from current revenues for Capital Outlay; this was done without any provision for General Fund revenues to pay even the interest on the additional construction bonds which are to be sold.

Yet in the face of this breach of faith, or rather because of it, the administration is asking voter approval of another \$200 million construction bond issue! Running the state on borrowed money is more costly for taxpayers in the long run—ultimately we have to pay back the borrowed money with interest.

If the voters were to approve this bond issue, then it will be an invitation for every future administration to do the same thing again, that is, when fiscal problems get difficult, use bond funds to balance the budget, and put off on a future administration the problem of either cutting State services or increasing taxes. This may be smart politics, but it is not sound fiscal policy.

It is time the voters put the State of California back on a "pay-as-you-go" basis.

You can hasten that day by voting NO on Assembly Constitutional Amendment No. 7.

S. C. MASTERSON
Member of the Assembly
Eleventh District
Contra Costa County

HARBOR DEVELOPMENT BONDS. Assembly Constitutional Amendment No. 11.

Authorizes issue and sale of \$60,000,000 of state bonds in accordance with Harbor Development Bond Law of 1958. Said Law permits up to \$50,000,000 of bonds to be issued for development of state harbor facilities at San Francisco and up to \$10,000,000 for financing of small craft harbor development program. Bonds will be general obligations of State, but payable primarily from receipts of state treasury funds designated as San Francisco Harbor Improvement Fund and Small Craft Harbor Improvement Fund, respectively. Validates said Harbor Development Bond Law of 1958.

YES
NO

4

(For Full Text of Measure, See Page 8, Part II)

Analysis by the Legislative Counsel

This constitutional amendment would add Section 8½ to Article XVI of the Constitution, to authorize the issuance and sale of state bonds in the sum of \$60,000,000 to provide for the construction, improvement, and development of harbors in this State.

The proceeds of the sale of such bonds are to be used as provided in the Harbor Development Bond Law of 1958 (Ch. 103 of the Statutes of 1958, 1st Ex. Sess.), which would be validated and made operative by this amendment. That law provides that not to exceed \$50,000,000 of the proceeds of the bonds can be used for the purpose of providing funds for the improvement of San Francisco Harbor and its facilities, and to redeem outstanding bonds. Not to exceed \$10,000,000 of the proceeds of the bonds can be used to provide loans to cities, counties, and counties, counties, and districts for the

planning, acquisition, construction, improvement, maintenance or operation of small craft harbors and their facilities.

The Harbor Development Bond Law of 1958 appropriates money for the payment of the principal and interest of the bonds. The money is to be paid, first, from available revenues of San Francisco Harbor, and, in the case of small craft harbors, from funds repaid on loans. If those funds are not sufficient, then money is made available from the General Fund in the State Treasury, but it is to be repaid to the General Fund, with interest, from such revenues and from the repayments on loans.

The constitutional amendment permits the Legislature to amend the Harbor Development Bond Law of 1958 in any manner germane to that law, without increasing the amount of bonds or permitting the use of the proceeds for purposes unrelated to the purposes described in that law.

The amendment further provides that nothing in the Constitution shall invalidate or restrict its provisions.

Argument in Favor of Assembly Constitutional Amendment No. 11

Combine Good Business With Pleasure—Vote Yes on Proposition 4!

Proposition 4 provides for establishment of a \$60,000,000 self-liquidating bond fund for "pay as you go" development of the State Harbor, and of small craft facilities throughout California.

Development of harbor facilities is vital to all the State because ocean-borne commerce with its great shipping industry and thriving ports contributes to the prosperity of every Californian. Small craft facilities and inland waterways also are of Statewide importance with their recreational and commercial values accruing to every citizen.

Proposition 4 insures improved facilities to serve all of the State's water traffic—from outboard motorboats to ocean liners.

Of the total bond issue, \$50,000,000 would be used for improvement of State Harbor facilities in San Francisco Bay. These funds, to be repaid entirely out of Port revenues, will improve and build new, modern cargo and passenger facilities and enable handling of larger, faster vessels, and tonnage from the ports of the world.

Urgently needed development of small craft facilities on both inland and coastal waterways will be assured by creation of a \$10,000,000 revolving fund to finance loans to local agencies throughout the State—to be repaid from revenues generated by public use of the marine facilities. Small craft projects are planned—and could be financed by funds authorized by Proposition 4—from Crescent City and Klamath to San Diego County's Imperial Beach and Mission Bay on the coast, and in inland areas from Lassen County's Eagle Lake to Imperial County's Salton Sea.

NONE OF THESE UNDERTAKINGS WILL COST STATE TAXPAYERS ONE DOLLAR!

The State Port Authority never has received nor required tax funds of any kind! The State Port, since 1891, has issued more than \$38,600,000 in bonds and has made every interest payment and redemption of bonds as due from Port revenues.

At present there are 200,000 small boat owners in California and nearly 700,000 people using our waterways. Facilities are grossly inadequate and recreational needs are growing far faster than they can be met locally. But boating recreation in California will pay its own way with the new facilities. It will at the same time bolster the economy with increased tourist trade, improved property values and revenues from boats, equipment and services.

Hundreds of State and local organizations, representative of Californians in every walk of life, have endorsed Proposition 4. The measure is largely non-controversial but is of paramount importance

to orderly development of California harbor facilities.

This vital State harbor and small craft development program was overwhelmingly endorsed by both Houses of the State Legislature.

Proposition 4 has the strong backing of Democrats and Republicans alike. It is warmly supported by both Attorney General Edmund G. (Pat) Brown, the Democratic nominee for Governor, and by Senator William F. Knowland, the Republican Governorship nominee.

THIS EXCEEDINGLY BENEFICIAL PROGRAM CAN BE CARRIED THROUGH AT NO COST TO THE TAXPAYERS!

COMBINE GOOD BUSINESS WITH PLEASURE!

VOTE YES ON PROPOSITION 4!

ASSEMBLYMAN GLENN E. COOLIDGE
(Republican—Santa Cruz County)
Chairman, Assembly Ways and Means Committee

SENATOR JOHN J. HOLLISTER, JR.
(Democrat—Santa Barbara County)
Chairman, Senate Interim Committee on Small Boat Harbors

Argument Against Assembly Constitutional Amendment No. 11

Proposition 4 is one of those proposals which neither all good nor all bad.

Proposition 4's proposed \$50 million self-liquidating bond fund for development of the State Harbor is the good part of this measure. Its advocates base their support on the circumstance that it will provide needed improvements in the State's Harbor, would mean millions of dollars to California in port business and in payrolls, and would pay for itself out of port revenues without resort to taxation. Certainly the average Californian will not fight with these aspects of the legislation.

However, tied to this useful state port bond program is a \$10 million bond fund that would provide state funds for recreational purposes.

This \$10 million recreational fund would be made available for self-liquidating loans to local agencies throughout the state. Repayment would be made from revenues accruing from small boat owners along coastal and inland waterways.

Since the small-craft facilities affected by the \$10 million bond fund are valuable chiefly as recreation for boating and fishing enthusiasts and for visiting tourists, their development would seem properly to be a local tax matter. Each community should enter into such recreational programs only if it can finance them itself by some such revenue raising means as property or sales tax increases.

It is a fact, also, that the offer of easy loans by government makes tempting the development of local projects that otherwise would be solely local

responsibilities. Thus, as communities grow, the availability of ready state loans might well lead to the conversion of historic shorelands from undeveloped wilderness areas to areas chiefly available to building enthusiasts.

The major issue at stake in Proposition 4 is one of principle. State bond issues for development of the State Harbor seem historically to be sound

policy. State bond funds for local recreational purposes, however, do not seem reasonable nor necessary.

A. F. "GUS" GAYNOR
San Francisco Insurance
Representative
310 Arballo Drive
San Francisco, California

COMPENSATION OF LEGISLATORS. Senate Constitutional Amendment No. 5.		YES	
5	Permits Legislature to fix legislators' salaries by statute, but not in excess of average salary of county supervisors in the five most populous counties.	NO	

(For Full Text of Measure, See Page 8, Part II)

Analysis by the Legislative Counsel

This constitutional amendment would affect Section 23 of Article IV of the Constitution which purports to fix the salary of a Member of the Legislature at \$100 a month. This 1924 salary amount was superseded in 1954 by the first paragraph of subdivision (b) of Section 2 of Article IV which fixes the present salary of a Member of the Legislature at \$500 a month, and which would be repealed by this amendment.

As amended, the proposed Section 23 of Article IV would specify that the State Legislature is the highest legislative body in the State of California.

It would authorize the fixing of the salary of a Member of the Legislature by statute rather than by constitutional provision.

It would limit the statutory salary for a Member of the Legislature to an amount which does not exceed the average of the salaries provided by law for the office of a member of the board of supervisors in the five most populous counties in California.

This constitutional limit on legislators' salaries would be flexible since changes in supervisors' salaries, as well as changes in the population of counties established as provided by law, would increase or decrease the limit. The last such determination of county population is found in Government Code Section 28020. It is based upon the 1950 Federal Census which established Los Angeles, San Francisco, Alameda, San Diego and Contra Costa as the five most populous counties in California. Using the average of the salaries now provided by law for a member of the board of supervisors in those counties, the constitutional limitation on annual salaries of Members of the Legislature would be \$10,080. The amendment would, of course, permit the Legislature to fix the salary at any figure up to this limit.

Argument in Favor of Senate Constitutional Amendment No. 5

Senate Constitutional Amendment No. 5 proposes to amend the California Constitution by repealing Section 2(b) of Article IV fixing a salary of \$500 per month for members of the Legislature and by amending Section 23 of the same Article to provide that such salary shall be fixed by statute but shall not exceed the average of the salaries provided by law for members of the boards of supervisors of the

five most populous counties. It is also provided that the Legislature of the State of California is the highest legislative body within California.

The amendment itself does not provide a specified annual salary for members of the Legislature. The effect is to remove legislative salaries from the inflexibility of the Constitution and to authorize their fixing by statute within a ceiling.

It has been determined that the constitutional ceiling would currently be \$10,080 under existing laws establishing salaries for supervisors in the five most populous counties. Supervisorial salaries are set either by county charter or by the Legislature. In the latter case, the salaries fixed are customarily only those locally recommended. The figure of \$10,080 is a ceiling only, and legislative salaries may well be fixed below this level.

The following are the principal arguments in support of the proposed amendment:

1. The Constitution, as the basic organic law of the State, should be confined to provisions intended to serve the State over long periods of time and dealing with fundamental decisions of governmental organization, public policy and rights. The salaries of public officers, like those of public employees, require constant review and should be capable of change, either up or down, without amendment to the organic law.

2. The trend in current state government is in this direction. The majority of the states today fix the salaries of members of the legislature by statute rather than by constitutional provision. The Model State Constitution of the National Municipal League contains the provision that "The members of the Legislature shall receive an annual salary as may be prescribed by law . . ."

3. The United States Congress under the Federal Constitution (Article I, Sec. 6(1)) has had since 1788 the unlimited power to set its own salaries by statute. This power has not been abused.

4. Numerous public and citizen bodies recently have concluded, after study of the problem, that legislative salaries should be capable of change by statute. These bodies have included the Joint Legislative Committee on Legislative Procedure, the California Conference on State Government, and the Committee on American Legislatures of the American Political Science Association.

5. In 1957 a specially appointed California Citizens Legislative Advisory Commission, composed of 67 distinguished citizens of this State representing business, labor, agriculture and government, studied

bonds pursuant to this section for the purposes prescribed in subdivision (b) of this section to repay such money to the State on such terms and in such amounts as the Legislature deems proper.

The people of the State of California in adopting this section hereby declare that it is in the

interests of the State and of the people thereof for the State to aid school districts of the State in providing necessary school sites and buildings for the pupils of the Public School System, such system being a matter of general concern inasmuch as the education of the children of the State is obligation and function of the State.

3	STATE CONSTRUCTION PROGRAM BONDS. Assembly Constitutional Amendment No. 7. Authorizes issue and sale of \$200,000,000 of state bonds to carry out building program contemplated by State Construction Program Bond Act of 1958. Said Act authorizes use of the bond money, when appropriated by the Legislature, for buildings and building sites for state educational institutions, mental and correctional institutions, and other state facilities. Validates said 1958 State Construction Program Bond Act.	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 ARTICLE XVI

Sec. 19.5. The issuance and sale of bonds of the State of California in the sum of two hundred million dollars (\$200,000,000) and the use and disposition of the proceeds of the sale of said bonds, all as provided in the State Construction Program Bond Act of 1958 authorizing the issuance and sale of bonds for the purpose of providing a fund

to be used to carry out the state construction program contemplated by that act, is hereby authorized and directed, and the State Construction Program Bond Act of 1958 is hereby approved, adopted, legalized, validated and made fully and completely effective. Nothing in this Constitution shall invalidate or restrict the provisions of this section, nor shall this section prevent amendments to the State Construction Program Bond Act of 1958 which are germane to the subject thereof; provided, such amendments do not increase the sum of the bonds herein authorized to be issued and sold nor utilize the proceeds thereof for purposes not related to the construction program generally described therein.

4	HARBOR DEVELOPMENT BONDS. Assembly Constitutional Amendment No. 11. Authorizes issue and sale of \$60,000,000 of state bonds in accordance with Harbor Development Bond Law of 1958. Said Law permits up to \$50,000,000 of bonds to be issued for development of state harbor facilities at San Francisco and up to \$10,000,000 for financing of small craft harbor development program. Bonds will be general obligations of State, but payable primarily from receipts of state treasury funds designated as San Francisco Harbor Improvement Fund and Small Craft Harbor Improvement Fund, respectively. Validates said Harbor Development Bond Law of 1958.	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 ARTICLE XVI

Sec. 8½. The issuance and sale of bonds of the State of California in the sum of sixty million dollars (\$60,000,000) and the use and disposition of the proceeds of the sale of said bonds, all as provided in the Harbor Development Bond Law of 1958 authorizing the issuance and sale of bonds for the purpose of providing funds for the con-

struction, improvement, and development of harbors in this State, is hereby authorized and directed, and the Harbor Development Bond Law of 1958 is hereby approved, adopted, legalized, validated and made fully and completely effective. Nothing in this Constitution shall invalidate or restrict the provisions of this section, nor shall this section prevent amendments to the Harbor Development Bond Law of 1958 which are germane to the subject thereof; provided, such amendments do not increase the sum of the bonds herein authorized to be issued and sold nor utilize the proceeds thereof for purposes not related to the purposes generally described therein.

5	COMPENSATION OF LEGISLATORS. Senate Constitutional Amendment No. 5. Permits Legislature to fix legislators' salaries by statute, but not in excess of average salary of county supervisors in the five most populous counties.	YES	
		NO	

(This proposed amendment expressly repeals the first paragraph of a subdivision of an existing section, and amends an existing section, of the Constitution; therefore, **EXISTING PROVI-**

SIONS proposed to be **REPEALED** or **DELETED** are printed in **STRIKE-OUT TYPE**, and **NEW PROVISIONS** proposed to be **INSERTED** printed in **BLACK-FACED TYPE**.)