

1964

LOTTERY

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Argument Against Proposition No. 15

Far from destroying Free Television, Home Pay TV—through competition—will improve the quality of free TV programming.

All baseball games now shown on free TV will still be shown on free TV. Games now blacked out will become available on Home Pay TV. Theatre owners charge as much as \$25 for theatre TV showings of sporting events. Home Pay TV operators are committed never to charge more than the general admission price.

Home Pay TV will create thousands of new jobs, not only in the entertainment industry but for many craftsmen in the com-

munities served, thus helping to solve unemployment.

Home Pay TV must be permitted to succeed or fail in the open market in accordance with the American free enterprise system. Its opponents, theatre owners, are the very same people who tried to stamp out free TV at its inception.

The Joint Legislative Council of Teamsters is on record unanimously to vote NO on Proposition 15.

RALPH CLARE
Secretary,
Joint Council of Teamsters
of Southern California

16 **LOTTERY. Initiative Constitutional Amendment.** Provides for statewide lottery with monthly drawings. Creates State Lottery Commission of three members appointed by Governor, with supervisory powers over licensee permitted to conduct lottery. Commission shall issue only one license to conduct lottery; original license to go to a named private corporation for a period of 10 years; licensee to pay annual fee of \$500.00 for each county in State. Commission shall print and sell \$2.00 tickets to licensee for \$1.74; 74% of money received by Commission appropriated for public education; 26% to be used for expenses of Commission and prizes.

YES	
NO	

(For Full Text of Measure, See Page 16, Part II)

Analysis by the Legislative Counsel

This measure, the California State Controlled Lottery Fund Law, would establish a statewide lottery with monthly drawings to be conducted by a private corporation licensed and supervised by a new state agency, the State Lottery Commission.

The State Lottery Commission would be composed of three members appointed by the Governor, each for four-year terms and with an annual salary of \$17,500.

The commission could license only one corporation to conduct the lottery and it would be illegal for any other person or corporation to conduct a lottery. For the first 10 years of the operation of the lottery, the commission would be required to license a particular private corporation known as the American Sweepstakes Corporation, which has done promotional work on the lottery proposal, to conduct the lottery. After this first 10-year period, the commission could license any one California corporation to conduct the lottery.

The licensee would be required to pay to the commission an annual license fee in an amount equal to \$500 for each county in the State. No other license or excise tax or fee or personal property tax could be assessed against or collected from the licensee by reason of the licensee's possession, distribution, or sale of lottery tickets or the machine vending the tickets, by the State or by any county, city, district or any other body having the power to assess or collect any license, tax, or fee.

The commission would be required to a range for the printing of lottery tickets and to sell the tickets to the licensed corporation for \$1.74 per ticket. The licensee would sell the tickets to the public for \$2 per ticket and retain the 26 cents for each ticket sold. Tickets not sold by the licensee would be returned to the commission and the purchase price refunded. Tickets would be sold to the public by means of automatic vending machines. It would be unlawful to sell tickets to minors or to sell tickets outside the State.

The revenues derived by the commission from the sale of tickets to the licensee would be deposited in two special funds in the State Treasury. Into one fund would be deposited 74 percent of the total revenues, which would be appropriated to meet the needs of public education on an average daily attendance basis and in amounts and for the purposes best calculated, in the judgment of the State Superintendent of Public Instruction, to reduce public taxation for such purposes. The remaining 26 percent of the revenues, together with the annual license fee, would be deposited in a second fund and would be used for prizes and the expenses of the State Lottery Commission.

There would be a total of 12 drawings annually, one to be conducted each month, with a total of 3,000 winners per month. The drawings would be made by persons designated by the commission, and would be subject to the supervision of the commission.

Argument in Favor of Proposition No. 16

This initiative, out of all propositions, is the only one that tends to lower taxes. Under this initiative \$325,000,000.00 annually will be produced to aid the school system. The tax burden on real property owners is fast becoming intolerable and at the same time additional funds are needed for education. This proposal affords a logical method whereby schools can be financed without burden on the taxpayer. It further provides for \$110,000,000.00 for prizes and 13% to the licensee to defray operational expenses which include the purchase of thousands of vending machines, employment of five thousand people, general, administrative and accounting costs.

It is a painless and voluntary method of taxation. It is conservatively estimated that \$7,000,000,000.00 is gambled illegally in the United States every year, thus indicating that people satisfy their urge to gamble even though it is against the law. Since a sizeable portion of this \$7,000,000,000.00 is from California and does not benefit the state, it would be better to legalize lotteries and divert this money into useful channels.

Each year thousands of Californians go to Las Vegas and purchase Irish Sweepstakes lottery tickets. When this urge to gamble can be satisfied by a monthly drawing in California much of the money which has been going to Nevada and Ireland will remain in California and serve a useful purpose.

A lottery is not immoral. There is no prohibition in the Ten Commandments or the Bible. It is when gambling is done to excess that it becomes immoral because one who does so misappropriates funds which are due his creditors or dependents.

A lottery by its very nature is a limited form of gambling. Surveys made on 88 national lotteries presently operating throughout the world demonstrated that people do not buy lottery tickets to excess. The purchase of a great number of tickets does not materially increase the purchaser's chance of winning. Consequently, it is clear that the purchase of one or two lottery tickets each month will not materially affect the economic security of any person in California, regardless of his class.

This initiative provides for private enterprise in the operation of the lottery, with an absolute working margin of 13%. Testimony before the Revenue and Taxation Committee of the State Assembly established that no state operated lottery was able to operate under 20% of the gross revenue. The private corporation undertakes to operate the California State Controlled Lottery on the theory that private enterprise has a history of doing things of a business nature more economically than the state.

Lotteries are not new to the United States. George Washington and Thomas Jefferson

utilized this method in supporting the Revolution and early government. New Hampshire has now passed a state lottery which has demonstrated already that it is a success.

Governor Brown has promised to raise taxes at the next session of the Legislature. This is a method of avoiding that raise in taxes, if necessary.

ROBERT W. WILSON
Proponent of Initiative

TESSIE SMITH
Proponent of Initiative

VIRGINIA CRAWFORD
Proponent of Initiative

Argument Against Proposition No. 16

Are you in favor of a State lottery?

Then VOTE NO on Proposition 16.

Are you opposed to a State lottery?

Then VOTE NO on Proposition 16.

Are you opposed to any lottery?

Then VOTE NO on Proposition 16.

For the American Sweepstakes Corporation, which would get 13% of the proceeds from this lottery scheme, Proposition 16 is a gold-mine.

For the rest of us, no matter how we feel about gambling, it's a very bad deal.

Let's make this clear: Proposition 16 is NOT a state lottery. It is a PRIVATE LOTTERY, conducted by the American Sweepstakes Corporation, as a monopoly, for ten years.

These promoters spent a half-million dollars just to get Proposition 16 on the ballot. They are spending additional huge sums in order to sell it to you.

If it wins, according to their own estimates, they will take in sixty-five million dollars a year. In 10 years, that's well over half a billion dollars.

NOT A PENNY OF THAT MONEY WILL GO FOR EDUCATION.

Not a penny of it will go to reduce your taxes.

Every penny will go into the pockets of the American Sweepstakes Corporation.

The promoters are attempting to use education to sell this scheme—but responsible educators have denounced the proposal. The education of our children is too important to depend on such a speculative venture.

Lower taxes? The official legislative analyst has stated that a lottery wouldn't save you a dollar a year on your State taxes. It is more likely to increase your taxes because of increased welfare and police costs.

Lotteries are a tax on the poor; experience shows a lottery inevitably increases the welfare burden.

Unrestricted availability of lottery vending machines to persons of all ages is an uncontrolled invitation to gambling. Gambling losses cause other crimes including those of violence and corruption. Nevada, the state of legalized gambling, has the highest crime rate in the country. Higher crime rates mean higher police costs.

The Legislature is powerless to make the slightest modification in this private lottery scheme. It would take another state-wide election to effect any change whatsoever or to dislodge this stranglehold of the American Sweepstakes Corporation.

Even if you'd like a true State lottery, you don't want this. It would give one of the poorest pay-offs of any lottery anywhere. Analysis indicates that only 2% of the gross would be available as prizes! Compare that with the 50% pay-back by the Irish Sweepstakes, or the 85% return by the California race-tracks.

Educators, taxpayers, law enforcement officers, Republicans and Democrats, organized labor, church groups and business are all against this lottery grab.

Don't compare it with the New Hampshire Lottery. That IS a true State lottery—it isn't. There is no 13% rake-off to private promoters in New Hampshire.

Proposition 16 must not pass! Vote NO on Proposition 16—and be sure your friends and family do too!

CALIFORNIANS AGAINST THE LOTTERY SCHEME

LAUGHLIN E. WATERS,
State Chairman
Former State Legislator
and former U. S. Attorney

DON FAZACKERLEY,
Co-Chairman, Northern
California; Former San
Francisco Police
Commissioner

EUGENE W. BISCAILUZ,
Co-Chairman, Southern
California; Past President,
State Peace Officers
Association

RAILROAD TRAIN CREWS. Initiative. Declares state policy on manning trains. Provides that Award No. 282 of Federal Arbitration Board on manning of diesel powered freight trains shall be effective in California, and that no state law or regulation shall prevent a railroad from manning trains in accordance with federal legislation or awards pursuant thereto, or collective bargaining agreements. Repeals initiative provisions on crews required for freight, mixed, or work trains, and right of State Public Utilities Commission to determine number of brakemen on all trains, and repeals other legislation concerning crews on certain kinds of trains.

17

YES

NO

(For Full Text of Measure, See Page 18, Part II)

Analysis by the Legislative Counsel

This measure, the Railroad Anti-Featherbedding Law of 1964, would amend the Labor Code to declare as policy of the State: that "featherbedding" practices on railroads should be eliminated; that national settlement of labor controversies relating to the manning of trains should be made effective in California; and that the award of the Federal Arbitration Board No. 282, appointed pursuant to Public Law 88-108 and providing for the elimination of excess firemen and brakemen on diesel-powered freight trains, or awards made pursuant thereto, shall be made effective in this State.

It would provide that nothing contained in the laws of this State or in any order of any regulatory agency of this State shall prevent a common carrier by railroad from manning its trains in accordance with the award of the Federal Arbitration Board No. 282, in accordance with any federal legislation or awards pursuant thereto, or in accordance with any agreement between a railroad company and its employees or their representatives.

It would also repeal existing provisions of the Labor Code which now prohibit common carriers operating certain trains from operating freight, mixed, or work trains, and certain other kinds of trains and equipment, without specified numbers and kinds of crew members, and would also repeal existing provisions authorizing the Public Utilities Commission to require common carriers by railroad to operate their trains with such number of brakemen as are necessary to promote safety.

Argument in Favor of Proposition No. 17

Proposition 17 is a non-partisan economic issue that merits the support of all Californians.

Your "yes" vote on Proposition 17 supports the peaceful solution which three United States Presidents, Dwight Eisenhower, John Kennedy, and Lyndon Johnson, achieved in the long-standing, nationwide controversy over railroad work rules. Moreover, a "yes" vote is necessary to make the settlement of this controversy effective in California.

scription television corporation from subscribers or sponsors whose establishments at which subscription television was provided were within such local agency at the time such revenues were received. The quarterly payments to a local agency required by this subdivision are in lieu of all other taxes or fees imposed by the local agency receiving the payment upon the subscription television corporation for the privilege of exercising any franchise or engaging in business. The State Board of Equalization shall collect any amount required to be paid to a local agency under this subdivision, and shall transmit to

the local agency involved the amount so lected as promptly as feasible.

(c) The State Board of Equalization shall enforce the provisions of this part and shall adopt such reasonable rules and regulations as they may deem necessary or proper to provide for and facilitate the making and reporting of payments provided for in this section. At all reasonable times the State Board of Equalization may examine all records kept or maintained by such subscription television corporation or under its control which treat of the operations, affairs, property or transactions of the corporation with respect thereto.

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YES	
NO	

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

PROPOSED ARTICLE XXXI

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

ARTICLE XXXI

CALIFORNIA STATE CONTROLLED LOTTERY FUND LAW

SECTION I. The purpose of this article is to create a State Lottery to raise funds to provide for the reduction of state taxes, for direct aid to public education and for the reduction of the present burden of state taxation, direct and indirect, upon the individual taxpayers of the state.

Steadily increasing costs of state government and the expanding diversity of participation by state government, particularly in areas of public education have made existing sources of state revenue inadequate and in order to provide funds for said purposes without new and more burdensome taxation, this article is necessary.

This article shall be cited as the California State Controlled Lottery Fund Law and all references to same shall be California State Controlled Lottery Fund Law.

SECTION II. Jurisdiction and supervision over the State Lottery in this state and over all persons or things having to do with the operation of the State Lottery is vested in the State Lottery Commission.

The Commission shall consist of three members; appointed by the Governor. Each

member shall hold office for a term of four years. Any vacancy shall be filled by the Governor for the expired term. Each member shall have been a resident of this state for four years next preceding his appointment.

The members of the Commission shall receive a salary of \$17,500.00 per annum.

The Governor may remove any commission member for cause upon first giving him a copy of the charges against him and an opportunity to be heard.

The members of the Commission shall appoint one of its members as chairman.

SECTION III. The Commission shall appoint such employees as may be necessary to carry out the provisions of this law.

The Commission shall appoint a secretary who shall receive the annual salary provided for by Chapter 6 (commencing at Section 11550) of Part 1 of Division 3 of Title 2 of the Government Code.

The salaries of the commission members, the secretary and other employees and all other necessary expenses to carry out this lottery shall be paid monthly by the State Treasurer on the warrant of the State Controller and the certification of the Chairman of the Commission out of the California State Controlled Lottery Fund.

The Commission shall establish and maintain a general office for the transaction of its business at a place to be determined by the Commission. The Commission may establish any branch office for the transaction of its business at a place to be determined by it. The Commission may hold meetings any other place when the convenience the members of the Commission requires.

All meetings of the Commission shall be open and public, and all persons shall be

mitted to attend any meeting of the Commission.

A majority of the Commission constitutes a quorum for the transaction of its business or the exercise of any of its powers.

The secretary shall keep a full and true record of all proceedings of the Commission, preserve at the Commission's general office all books, documents, and papers of the board, prepare for service such notices and other papers as may be required of him by the Commission, and perform such other duties as the Commission may prescribe.

All records of the Commission shall be open to inspection by the public during regular office hours.

The Commission shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this law.

SECTION IV. It shall be unlawful for any person, persons, corporation, association, or other legal entity to conduct a lottery or lotteries in this state without a license from the Commission.

SECTION V. The Commission shall issue only one license to conduct a lottery or lotteries in this state.

Due to the promotional work and financial expenditure to inform and educate the citizens of this state concerning this lottery initiative measure by American Sweepstakes Corporation, an original license shall be issued to American Sweepstakes Corporation for a period of ten years beginning 60 days after the date of the official declaration of the vote by the Secretary of State.

After the ten-year period of the original license, the subsequent license shall be issued to a corporation organized under the laws of the State of California, by the Commission, subject to all rules, regulations, and conditions from time to time prescribed by the Commission.

Thirty days after the issuance of the license, the licensee shall pay to the Commission the sum of \$500.00 for each county in this state, as a license fee. The license fee shall be paid into the State Treasury to the credit of the California State Controlled Lottery Fund. The license fee shall be payable annually thereafter by the licensee. The costs of printing lottery tickets shall be paid from time to time as necessary out of the California State Controlled Lottery Fund by the State Treasurer on the warrant of the State Controller and the certification of the Chairman of the Commission.

SECTION VI. The Commission shall from time to time as necessary arrange for the printing of lottery tickets. Lottery tickets shall be sold to the licensee by the Commission in such numbers as requested by the licensee. Lottery tickets shall be in denominations of \$2.00. The licensee shall pay to the Commission the sum of \$1.74 per ticket and

shall receive a credit of \$1.74 per ticket for all unsold tickets returned to the Commission by the licensee. Monies owed the Commission by the licensee for the purchase of tickets shall be paid the Commission by the licensee within 35 days of the date of purchase of tickets.

Out of the funds received by the Commission from the sale of lottery tickets, 74% thereof shall be paid into the State Treasury to the credit of the California State Controlled Lottery Education Fund and shall be appropriated annually to the needs of public education on an average daily attendance basis in amounts and for the purposes best calculated, in the judgment of the State Superintendent of Public Instruction to reduce public taxation for said purposes.

Out of the funds received by the Commission from the sale of lottery tickets, 26% thereof shall be paid into the State Treasury to the credit of the California State Controlled Lottery Fund. The expenses of operation of the Commission, including salaries of members, the secretary and employees of the Commission shall be paid from said fund together with such prizes to be distributed in accordance with the rules promulgated by the Commission.

SECTION VII. The Commission shall establish and enforce all rules and standards to be observed by the licensee in operating the lottery or lotteries.

All tickets sold by the licensee shall be deposited in and dispensed by automatic vending machines to be regulated by the licensee under rules and regulations established by the Commission.

Monthly drawings for prizes shall be made by persons authorized and under the supervision of the Commission.

No tickets shall be sold out of this state or to any person under the age of 21. Any such sale or purchase is a misdemeanor.

SECTION VIII. No license or excise tax or fee or personal property tax shall be assessed against or collected from the licensee by reason of the licensee's possession, distribution or sale of lottery tickets or the machine vending the same, by the state or by any county, city, district or any other body having the power to assess or collect any license, tax or fee.

SECTION IX. If this article is adopted by the people, it shall take effect five days after the date of the official declaration of the vote by the Secretary of State and become operative upon the first day of the first month following the fourth day after the date of the official declaration of the vote.

SECTION X. The amounts required to be appropriated to the Commission to commence operation under this article shall constitute a charge against funds in the State Treasury and shall be appropriated therefor

upon order of the Commission. The amount so appropriated shall be repaid from the California State Controlled Lottery Fund as soon as practicable and, pending such repayment, no distribution as provided in SECTION 6 of this article shall be made.

SECTION XI. There shall be a total of twelve drawings, one conducted each month of every year (per annum) with a total of 3,000 winners per month.

SECTION XII. All provisions of the Constitution of the State of California and laws of the State of California in conflict with or inconsistent with the provisions hereof are hereby repealed. If any portion, section or clause of this article shall be declared unconstitutional or invalid, such declaration or adjudication shall not affect the remainder of this article.

RAILROAD TRAIN CREWS. Initiative. Declares state policy on manning trains. Provides that Award No. 282 of Federal Arbitration Board on manning of diesel powered freight trains shall be effective in California, and that no state law or regulation shall prevent a railroad from manning trains in accordance with federal legislation or awards pursuant thereto, or collective bargaining agreements. Repeals initiative provisions on crews required for freight, mixed, or work trains, and right of State Public Utilities Commission to determine number of brakemen on all trains, and repeals other legislation concerning crews on certain kinds of trains.

YES

NO

17

(This proposed law expressly repeals existing sections and adds new provisions to the law; therefore **EXISTING PROVISIONS** proposed to be **REPEALED** are printed in **STRIKE-OUT TYPE** and **NEW PROVISIONS** proposed to be **ADDED** are printed in **BLACK-FACED TYPE**.)

PROPOSED LAW

An act to adopt the Railroad Anti-Featherbedding Law of 1964 by adding Sections 6900.1 and 6900.5 to the Labor Code and repealing Sections 6902, 6902.1, 6902.5 and 6903 of the Labor Code.

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

Section 1: A new Section to be numbered 6900.1 is hereby added to the Labor Code, to read:

6900.1. This Act shall be known and cited as the Railroad Anti-Featherbedding Law of 1964.

Section 2: A new Section to be numbered 6900.5 is hereby added to the Labor Code, to read:

6900.5. It is the policy of the people of the State of California that featherbedding practices in the railroad industry should be eliminated and that national settlement of labor controversies relating to the manning of trains should be made effective in California. Accordingly the award of the Federal Arbitration Board No. 282 appointed by President John F. Kennedy pursuant to Congressional Public Law 88-108 of August 28, 1963, providing for the elimination of excess firemen and brakemen on diesel powered freight trains, or awards made pursuant thereto, shall be made effective in this State. Said award was the culmination of the proceedings originating with the Presidential Railroad Commission which was appointed by President Dwight D. Eisenhower at the request of both railroad labor and manage-

ment and reported to President Kennedy on February 26, 1962.

Nothing contained in the laws of this State or in any order of any regulatory agency of this State shall prevent a common carrier by railroad from manning its trains in accordance with said award, in accordance with any federal legislation or awards pursuant thereto, or in accordance with any agreement between a railroad company and employees or their representatives.

Section 3: Section 6902 of the Labor Code, reading as follows, is hereby repealed:

6902. No common carrier operating more than four trains each way per day of 24 hours on any main track or branch line of railroad within this State, or on any part of such main track or branch line, shall run or permit to be run, on any part of such main track or branch line, any freight, mixed, or work train on which there is not employed at least one conductor and the following:

- (a) One engineer and one fireman for each steam locomotive where the train is propelled or drawn by steam.
- (b) One motorman for each train propelled or run by electricity.
- (c) One motor or power control man for each train propelled by motive power other than steam or electricity.
- (d) Two brakemen.

Section 4: Section 6902.1 of the Labor Code, reading as follows, is hereby repealed:

6902.1. No common carrier operating more than four trains each way per day of 24 hours on any main track or branch line of railroad within this State, or on any part of such main track or branch line, shall run or permit to be run, on any part of such main track or branch line, any freight, mixed, work train on which there is not employ one engineer and one fireman for each diesel locomotive weighing over forty-five tons (45).