CALIFORNIA LEGISLATURE

FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

FIRST LEGISLATIVE DAY

FIRST CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Monday, January 13, 1947

The Assembly met at 12.30 p.m., pursuant to the provisions of the Proclamation of His Excellency, Earl Warren, Governor of the State of California, dated January 9, 1947, convening the Legislature of the State of California on this day in extraordinary session.

Arthur A. Ohnimus, Chief Clerk of the Assembly for the Fifty-seventh (General) Session, presiding.

ANNOUNCEMENT

Arthur A. Ohnimus, Chief Clerk of the Assembly, announced that, pursuant to the requirements of the Government Code, Section 9150, the following officers of the Assembly of the Fifty-seventh (General) Session of the Legislature were present, and in their respective positions: Arthur A. Ohnimus, Chief Clerk; Geraldine B. Hadsell, Minute Clerk; and Wilkie Ogg, Sergeant-at-Arms.

ROLL CALL

Chief Clerk Arthur A. Ohnimus directed the Assistant Clerk to call the roll of Assemblymen.

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Sam L. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, and Wollenberg—79.

Quorum present.

PRAYER

Upon invitation of the Chief Clerk, the following prayer was offered by Mr. Walter R. Hinton, Member of the Assembly from the Forty-second District:

Our Father

We humbly bow our heads before Thee with hearts overflowing with gratitude for all the benefits and privileges of American citizenship, as we know them. Bring us together with a new and stronger faith in ourselves and in each other, and above all, a supreme faith in Thee, the Father of us all. These things we pray in Jesus' name—AMEN.

PROCLAMATION OF THE GOVERNOR

The Chief Clerk directed the Assistant Clerk to read the Proclamation of the Governor convening the Legislature in extraordinary session.

Whereupon the Assistant Clerk read the following Proclamation:

EXECUTIVE DEPARTMENT, STATE OF CALIFORNIA

Proclamation

WHEREAS, An extraordinary occasion has arisen and now exists requiring that the Legislature of the State of California be convened in extraordinary session; now, therefore,

I, EARL WARREN, Governor of the State of California, by virtue of the power and authority in me vested by Section 9 of Article V of the Constitution of the State of California, do hereby convene the Legislature of the State of California to meet in extraordinary session at Sacramento, California, on Monday, the thirteenth day of January, 1947, at 12 30 o'clock p m. of said day for the following purposes and to legislate upon the following subjects:

1. To consider and act upon legislation relating to the construction and maintenance of state highways, county roads and city streets.
2. To consider and act upon legislation relating to the financing and administration of state highway, county road and city street construction and maintenance, including taxation therefor
3. To consider and act upon legislation relating to the operation of motor vehicles, and to highway, road and street traffic regulations and their enforcement, including the administration of enforcement agencies
4. To consider and act upon legislation relating to the registration, financial and statistical procedures of the Department of Motor Vehicles.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this ninth day of January, 1947.

(SEAL)

EARL WARREN, Governor of California

ATTEST: FRANK M. JORDAN, Secretary of State
By CHAS J HAGERTY, Deputy Secretary of State

RESOLUTIONS

The following resolution was offered:

By Mr. Field:

House Resolution No. 1

Resolved by the Assembly of the State of California, That the following named persons constitute the officers of the Assembly for the Fifty-seventh (First Extraordinary) Session, with the per diem as fixed by statute or resolution:

Hon. Sam L. Collins.....*Speaker*
Hon. Thomas A. Maloney.....*Speaker pro Tempore*
Arthur A. Ohnimus.....*Chief Clerk*
Geraldine B. Hadsell.....*Minute Clerk*
Wilkie Ogg.....*Sergeant-at-Arms*
Rev. Raymond Renwald.....*Chaplain*

Request for Unanimous Consent

Mr. Field asked for, and was granted, unanimous consent to take up House Resolution No. 1, at this time, without reference to committee or file.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, Conrad, Cooke, Cramer, Crichton, Crowley, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, and Wollenberg—74.

NOES—None.

APPOINTMENT OF SELECT COMMITTEES

Chief Clerk Arthur A. Ohnimus announced the appointment of Messrs. Field, Dickey, and Rosenthal, as a Select Committee to escort Hon. Sam L. Collins, Speaker-elect, to the rostrum.

Chief Clerk Arthur A. Ohnimus announced the appointment of Messrs. Wollenberg, Hollibaugh, and O'Day, as a Select Committee to escort Hon. Thomas A. Maloney, Speaker pro Tempore-elect, to the rostrum.

OATHS OF OFFICE ADMINISTERED

Hon. Sam L. Collins, Speaker-elect; Hon. Thomas A. Maloney, Speaker pro Tempore-elect; Arthur A. Ohnimus, Chief Clerk-elect; Geraldine B. Hadsell, Minute Clerk-elect; and Wilkie Ogg, Sergeant-at-Arms-elect, took and subscribed to the following oath, administered by Hon. Frank M. Jordan, Secretary of State:

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of California, and that I will faithfully discharge the duties of the office to which I have been elected according to the best of my ability.

Speaker Presiding

At 12.46 p.m., Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A Ohnimus at the desk

PLEDGE OF ALLEGIANCE TO THE FLAG

Upon request of the Speaker, the Assembly then gave the pledge of allegiance to the Flag.

RESOLUTIONS

The following resolutions were offered:

By Mr. Maloney:

House Resolution No. 2

Resolved by the Assembly of the State of California, That the Speaker of the Assembly appoint a Committee of Three to inform the Senate that the Assembly is in session pursuant to the Proclamation of His Excellency, the Governor, dated the ninth day of January, 1947, and ready for the transaction of legislative business, with the following officers, to wit:

Hon. Sam L. Collins—*Speaker*
Hon. Thomas A. Maloney—*Speaker pro Tempore*
Arthur A. Ohnimus—*Chief Clerk*
Geraldine B. Hadsell—*Minute Clerk*
Wilkie Ogg—*Sergeant-at-Arms*
Rev. Raymond Renwald—*Chaplain*

Request for Unanimous Consent

Mr. Maloney asked for, and was granted, unanimous consent to take up House Resolution No. 2, at this time, without reference to committee or file.

Resolution read, and adopted.

Appointment of Select Committee

Pursuant to the provisions of House Resolution No. 2, the Speaker announced the appointment of Messrs. Maloney, Hawkins, and Luckel as such Select Committee.

By Mr. Lyons:

House Resolution No. 3

Resolved by the Assembly of the State of California, That a Select Committee of Five be appointed to wait upon His Excellency, the Governor, and inform him that the Assembly is organized and awaits any communication he may have to make to it.

Request for Unanimous Consent

Mr. Lyons asked for, and was granted, unanimous consent to take up House Resolution No. 3, at this time, without reference to committee or file.

Resolution read, and adopted.

Appointment of Select Committee

Pursuant to the provisions of House Resolution No. 3, the Speaker announced the appointment of Messrs. Lyons, Fletcher, Robertson, Cramer, and Huyck as such Select Committee.

By Mr. Dickey:

House Resolution No. 4

Resolved by the Assembly of the State of California, That until further notice the Temporary Rules of the Fifty-seventh (General) Session, as adopted January 7, 1947, be and the same are hereby adopted as the Temporary Rules of the Fifty-seventh (First Extraordinary) Session convened on January 13, 1947.

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 4, at this time, without reference to committee or file.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—79.

NOES—None.

By Mr. Dickey:

House Resolution No. 5

Resolved by the Assembly of the State of California, That the State Controller be and he hereby is directed and ordered to draw his warrants on the proper fund in favor of the following members and officers of the Assembly for the amount set opposite

their respective names, and the State Treasurer hereby is directed and ordered to pay the same:

District	Name	Address	Distance from county seat	Distance from county seat, more	Distance from county seat, less	Mileage one way	Total mileage	Amount at 5 cents per mile
1	Michael J Burns	Eureka, Humboldt County	312	--	--	312	624	$31 20
2	Lester Thomas Davis	Portola, Plumas County	136	40	--	176	352	17 60
3	Lloyd W Lowrey	Rumsey, Yolo County	28	36	--	59	118	5 90
4	**Bert W. Loomis**	**Chico, Butte County**	**86**	**22½**	--	**108½**	**217**	**10 85**
5	Ernest C. Crowley	Fairfield, Solano County	40	--	--	40	80	4 00
6	Allen G Thurman	Colfax, Placer County	37	17	--	54	108	5 40
7	Richard H. McCollister	Mill Valley, Marin County	105	8	--	113	226	11 30
8	Chester F. Gannon	Sacramento, Sacramento County	--	--	--	--	--	--
9	Dwight H Stephenson	Elk Grove, Sacramento County	--	13	--	13	26	1 30
10	George Miller, Jr	Richmond, Contra Costa County	62	22	--	84	168	8 40
11	Charles M. Weber	Stockton, San Joaquin County	48	--	--	48	96	4 80
12	James E Thorp	Lockeford, San Joaquin County	48	--	3	45	90	4 50
13	Francis Dunn, Jr	Oakland, Alameda County	84	--	--	84	168	8 40
14	Randal F Dickey	Alameda, Alameda County	84	5	--	89	178	8 90
15	Bernard A Sheridan	Oakland, Alameda County	84	--	--	84	168	8 40
16	Marvin Sherwin	Piedmont, Alameda County	84	--	--	84	168	8 40
17	Edward J Carey	Emeryville, Alameda County	84		2	82	164	8 20
18	Thomas W Caldecott	Berkeley, Alameda County	84	--	1	83	166	8 30
19	Bernard R Brady	San Francisco, San Francisco County	90	--		90	180	9 00
20	Thomas A Maloney	San Francisco, San Francisco County	90	--	--	90	180	9 00
21	Albert C Wollenberg	San Francisco, San Francisco County	90	--		90	180	9 00
22	George D Collins, Jr.	San Francisco, San Francisco County	90	--		90	180	9 00
23	William Clifton Berry	San Francisco, San Francisco County	90	--	--	90	180	9 00
24	Edward F O'Day	San Francisco, San Francisco County	90	--		90	180	9 00
25	Raymond W Blosser	San Francisco, San Francisco County	90	--	--	90	180	9 00
26	Edward M Gaffney	San Francisco, San Francisco County	90	--		90	180	9 00
27	Richard J Dolwig	South San Francisco, San Mateo County	119	--	11	108	216	10 80
28	Robert C Kirkwood	Saratoga, Santa Clara County	128	12	--	140	280	14 00
29	John F Thompson	San Jose, Santa Clara County	128	--		128	256	12 80
30	Ralph M Brown	Modesto, Stanislaus County	77	--		77	154	7 70
31	George A. Clarke	Planada, Merced County	114	10	--	124	248	12 40
32	Donald L Grunsky	Watsonville, Santa Cruz County	198	20	--	218	436	21 80
33	James W. Silliman	Soledad, Monterey County	208	25	--	233	466	23 30
34	James G Crichton	Fresno, Fresno County	169	--	--	169	338	16 90
35	S L Heisinger	Calwa, Fresno County	169	5	--	174	348	17 40
36	Harry J Johnson	Porterville, Tulare County	206	28	--	234	468	23 40
37	Alfred W Robertson	Santa Barbara, Santa Barbara County	460			460	920	46 00
38	John B Cooke	Ventura, Ventura County	490	--	--	490	980	49 00
39	W E James	Bakersfield, Kern County	278	--	--	278	556	27 80
40	William H Rosenthal	Los Angeles, Los Angeles County	447	--		447	894	44 70
41	Julian Beck	San Fernando, Los Angeles County	447		21	426	852	42 60
42	Walter R Hinton	Burbank, Los Angeles County	447	--	11	436	872	43 60
43	C Don Field	Glendale, Los Angeles County	447	--	10	437	874	43 70
45	Thomas J Doyle	Los Angeles, Los Angeles County	447	--	--	447	894	44 70
46	Glenn M Anderson	Hawthorne, Los Angeles County	447	12	--	459	918	45 90
47	Albert I Stewart	Pasadena, Los Angeles County	447	13	--	460	920	46 00
48	T Fenton Knight	La Canada, Los Angeles County	447	16	--	463	926	46 30
49	Ernest R Geddes	Pomona, Los Angeles County	447	30	--	477	954	47 70
50	Thomas M. Erwin	Puente, Los Angeles County	447	19	--	466	932	46 60
51	Elwyn S Bennett	Los Angeles, Los Angeles County	447	--	--	447	894	44 70
52	Jonathan J Hollibaugh	Huntington Park, Los Angeles County	447	6	--	453	906	45 30
53	Montivel A Burke	Alhambra, Los Angeles County	447	9	--	456	912	45 60
54	John L E Collier	Los Angeles, Los Angeles County	447	--	--	447	894	44 70
55	Vernon Kilpatrick	Los Angeles, Los Angeles County	447	--	--	447	894	44 70
56	Ernest E Debs	Los Angeles, Los Angeles County	447	--	--	447	894	44 70
57	Charles J Conrad	Los Angeles, Los Angeles County	447	--	--	447	894	44 70
58	Laughlin E Waters	Los Angeles, Los Angeles County	447	--	--	447	894	44 70
59	Willard M Huyck	Beverly Hills, Los Angeles County	447	8	--	455	910	45 50
60	M Philip Davis	Los Angeles, Los Angeles County	447	--	--	447	894	44 70
61	Lester A McMillan	Los Angeles, Los Angeles County	447	--	--	447	894	44 70
62	Augustus F. Hawkins	Los Angeles, Los Angeles County	447	--	--	447	894	44 70
63	Don A. Allen	Los Angeles, Los Angeles County	447	--	--	447	894	44 70
64	John C Lyons	Los Angeles, Los Angeles County	447	--	--	447	894	44 70
65	John W Evans	Los Angeles, Los Angeles County	447		--	447	894	44 70
66	Gordon R Hahn	Los Angeles, Los Angeles County	447			447	894	44 70
67	Clayton A Dills	Gardena, Los Angeles County	447	11		458	916	45 80
68	Vincent Thomas	San Pedro, Los Angeles County	447	23		470	940	47 00
69	Ralph C Dills	Compton, Los Angeles County	447	18		465	930	46 50
70	William S Grant	Long Beach, Los Angeles County	447	22		469	938	46 90

District	Name	Address	Distance from county seat	Distance from county seat, more	Distance from county seat, less	Mileage one way	Total mileage	Amount at 5 cents per mile
71	Carl Fletcher	Long Beach, Los Angeles County	447	22	--	469	938	46 90
72	R Fred Price	Upland, San Bernardino County	508		23	485	970	48 50
73	L Stewart Hinckley	Redlands, San Bernardino County	508	9	--	517	1,034	51 70
74	Earl W Stanley	Newport Beach, Orange County	481	4	--	485	970	48 50
75	Sam L Collins	Fullerton, Orange County	481	--	11	470	940	47 00
76	Philip L Boyd	Palm Springs, Riverside County	512	54	--	566	1,132	56 60
77	George R Butters	Brawley, Imperial County	661	--	14	647	1,294	64 70
78	Frank Luckel	San Diego, San Diego County	573	--	--	573	1,146	57 30
79	Kathryn T Niehouse	San Diego, San Diego County	573	--	--	573	1,146	57 30
80	Howard K Cramer	Chula Vista, San Diego County	573	10	--	583	1,166	58 30

Name	Address	Distance from county seat	Distance from county seat, more	Distance from county seat, less	Mileage one way	Total mileage	Amount at 10 cents per mile
Arthur A. Ohnimus	San Francisco, San Francisco County	--	--	--	---	---	---
Geraldine B. Hadsell	Los Angeles, Los Angeles County	447	--	--	447	894	89 40
Wilkie Ogg	Sacramento, Sacramento County	--	--	--	---	---	---

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 5, at this time, without reference to committee or file.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr Speaker—77.

NOES—Gannon—1.

By Mr. Thurman:

House Resolution No. 6

Resolved by the Assembly of the State of California, That all of those persons who heretofore filed their credentials and were duly recognized as representatives of the publications they represented for the Fifty-seventh (General) Session are hereby recognized as the representatives of those publications for this First Extraordinary Session.

Request for Unanimous Consent

Mr. Thurman asked for, and was granted, unanimous consent to take up House Resolution No. 6, at this time, without reference to committee or file.

Resolution read, and adopted.

By Mr. McCollister:

House Resolution No. 7

Resolved by the Assembly of the State of California, That the Sergeant-at-Arms or the Chief Clerk be and they hereby are authorized, to receipt to the Controller for all warrants for the payment of members, officers, and attaches of the Assembly

Request for Unanimous Consent

Mr. McCollister asked for, and was granted, unanimous consent to take up House Resolution No. 7, at this time, without reference to committee or file.

Resolution read, and adopted.

REQUEST FOR UNANIMOUS CONSENT TO PRINT REPORT

Mr. Burns asked for, and was granted, unanimous consent that the following Preliminary Report of the Joint Fact-Finding Committee on Highways, Streets, and Bridges be ordered printed in the Journal in 10 point type:

PRELIMINARY REPORT OF THE JOINT FACT-FINDING COMMITTEE ON HIGHWAYS, STREETS, AND BRIDGES TO THE FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION OF THE CALIFORNIA LEGISLATURE

January 13, 1947

Appointed under Senate Concurrent Resolution No. 27 of the Fifty-sixth Session of the Legislature. Filed with Secretary of State June 16, 1945 (Res. Chap. 133, Stats. of 1945, p. 3138)

Members of the Committee

RANDOLPH COLLIER, Chairman	CHARLES W. STREAM, Vice Chairman
GEORGE J. HATFIELD	MICHAEL J. BURNS
BEN HULSE	C. DON FIELD
JAMES J. McBRIDE	GERALD P. HAGGERTY
THOMAS McCORMACK	CHARLES W. LYON
JERROLD L. SEAWELL	BERNARD A. SHERIDAN
JACK B. TENNEY	FRANK J. WATERS

In accordance with provisions of Senate Concurrent Resolution No. 27, we submit herewith a Report of the Joint Fact-Finding Committee on Highways, Streets, and Bridges.

By Senate Concurrent Resolution No. 27 (Res. Chap. 133, Stats of 1945), this committee was in effect instructed to advise the Legislature as to how the people of California should provide themselves with a highway system that will supply efficient and economical service during the next decade. Specifically, we were directed to determine what changes are required in present methods and concepts in order to guarantee that our roads and streets will be built to adequate engineering design standards, provided in the proper places at the right time, at costs which are as low

as possible and fairly distributed among those who benefit from the services rendered.

From the outset of this investigation it has been apparent to your committee that the issues and problems involved are of bewildering proportions. And during the exploratory period of the study it became equally apparent that there existed no single repository of knowledge, fact or judgment from which ready solutions could be drawn. Those conditions have controlled the organization and conduct of our work. We have conducted extensive hearings and field studies. We have sought and obtained information from many state and local agencies. We have secured technical advice from competent specialists in the fields of engineering and finance. And, finally, your committee has participated in the work of other legislative committees, particularly in problems relating to safety and other matters affecting regulation of highway use.

PART I—ORGANIZATION OF WORK

Committee Hearings and Field Studies

In accordance with Senate Concurrent Resolution No. 27 of the Fifty-sixth Session, your Highway Committee met in the State Building in San Francisco on September 11, 1945, to organize its staff and appoint members of its Advisory Council, consisting of representatives of state-wide public and private agencies and other organizations interested in road problems. The members of the Advisory Council are:

P. Arnold Anderson, Private Truck Owners Bureau of California.
Lewis E. Arnold, League of California Cities.
Donald W. Cleary, Mayor's Office, San Francisco.
Stephen W. Cunningham, Los Angeles Traffic Association.
J. Allen Davis, Automobile Club of Southern California
Peter H. Ducker, Motor Vehicle Advisory Committee.
Frank G. Forward, Highway Development Association of San Diego
Don E. Gilman, Western Oil and Gas Association.
Leo C. Hammett, County Supervisors Association of California.
George A. Herz, Jr., Associated General Contractors.
Dr. L. I. Hewes, Public Roads Administration
William V. Hill, California Transit Association.
George Hoberg, Redwood Empire Association.
C. O. Hoober, California Farm Bureau Federation.
[1]Edgar E. Lampton, Department of Motor Vehicles, State of California.
Samuel Leask, Jr., California Retailers Association.
[2]Clark Galloway, California State Chamber of Commerce
Col. F. C. Lynch, Greater Los Angeles Safety Council.
George T. McCoy, Department of Public Works, State of California.
A. J. McFadden, Agricultural Council of California
[3]Claude Minard, California Railroad Association.
Edwin S. Moore, California State Automobile Association.
Frew Morton, Outdoor Advertising Industry.
Dixwell L. Pierce, State Board of Equalization
Charles W. Real, California State Federation of Labor
[4]F. G. Pellett, Brotherhood of Railroad Trainmen
David G. Shearer, The Trucking Industry, Inc.
J. P. Spaenhower, The Truck Owners Association of California
Charles C. Stanley, Esq., The Texas Company

Since that time the committee has held 64 hearings throughout all parts of the State, for the purpose of having the boards of supervisors of every county and the officials of every city in the State present their road

[1] Vice Gordon Garland, resigned
[2] Vice John Luther, resigned.
[3] Vice Frank Karr, Esq., resigned
[4] Vice Harry See, resigned.

problems and recommend solutions. All interested parties were given an opportunity to present their views and persons of special competence from industry and certain national organizations were asked to give the committee the benefit of their knowledge and experience.

During its hearings in various parts of the State the members of the committee, together with state, county and city officials, were driven over many of the roads on which there are critical deficiencies and on which future construction projects are proposed in order to view at first hand the problems and proposed solutions. The members personally inspected many areas of acute congestion and points of frequent traffic accidents.

Members of the committee's staff were instructed to make all necessary field investigations and to interview officials in various parts of the State on special problems. The committee and staff have inspected in excess of 10,000 miles of roads in the State during the period of the study.

Engineering and Financial Studies

The committee sought the consultative services of leading specialists in the various fields, both in and out of California. Mr. Charles L. Dearing of the Brookings Institution, Washington, D. C., assisted the committee as adviser and consultant. Mr. Richard M. Zettel, formerly a highway economist on the staff of the Board of Investigation and Research, and former Director of Research, Washington State Tax Commission, was chosen to submit an historical and statistical analysis of taxes for highway purposes in California Mr. G. Donald Kennedy, Vice President of the Automotive Safety Foundation, was loaned to the committee to direct the engineering studies. And Mr. Bertram H. Lindman, formerly an engineering economist with the Highway Cost Commission of the State of Washington, was engaged to make an economic and financial study of future highway revenues and expenditures.

Members of the research staff were instructed to report to the committee so the committee, in turn, could formulate its policies and make recommendations to the Legislature.

The results of these various studies are attached hereto as staff reports No. 1 (Engineering Report), No. 2 (Financial Report), and No. 3 (Tax Analysis). The committee desires to point out that the recommendations contained in the engineering report and in the financial report are the personal recommendations of the particular members of the research staff who prepared the reports. The committee has not approved these recommendations. On the other hand, several members of the committee are in sharp disagreement with some of the recommendations.

The committee does believe that the factual information and much of the analysis contained in these reports are indispensable to a solution of the problems involved. Therefore, a careful study of these reports is urged upon the individual Members of the Legislature.

Information From State and Local Agencies

In addition to asking each county board of supervisors and the officials of each city to present information, the committee requested the State Highway Engineer, the Legislative Auditor, the Director of Motor

Vehicles, the State Controller, the Board of Equalization, the County Supervisors Association of California, and the League of California Cities to submit all available data bearing on the subjects of the committee's inquiries. Members of the Advisory Council were also invited to provide information for the use of the committee.

At all of its hearings the committee has asked state, county, and city officials to explain in detail the various ramifications of road administration at all levels of government.

Cooperation With Other Legislative Committees

It became apparent to the committee early in its studies that the regulation of highway use, and more particularly law enforcement, would have to be considered along with engineering studies if safety on the highways were to be provided. The Senate Committee on Governmental Reorganization had made a study of Motor Vehicle Administration in California with special reference to the Division of Enforcement. It was decided that this Senate committee, from its experience, would be better qualified to study and report on the general subject of enforcement, including driver licensing which is administered by a separate division of the Department of Motor Vehicles. Therefore, by arrangement with the chairman of the Senate committee, a Report on Traffic Law Enforcement was obtained from Lt. Col. Franklin M. Kreml of the International Association of Chiefs of Police and is on file with the Senate Committee on Governmental Reorganization.

The committee asked the Department of Motor Vehicles for certain statistical information essential to its studies, and learned that a large amount of work and a prohibitive expenditure of funds would be required to obtain from vehicle registration records in the department information as to weights of commercial vehicles and the place where all vehicles are garaged and used. Therefore, by arrangement with the Legislative Auditor, a study of vehicle registration and the mechanization of registration procedures was undertaken by the Joint Legislative Budget Committee in order to modernize both motor vehicle registration and the related financial and statistical procedures. A report has been filed with the Senate Committee on Governmental Reorganization. If the recommendations of the Legislative Auditor are adopted, valuable statistical information will become available. Such data would enable the Legislature to allocate highway-user revenues and other road funds more equitably in the future.

Matters of general taxation are being studied by the Senate and Assembly Committees on State and Local Taxation, but on certain matters of highway taxation which overlap their field these legislative committees have cooperated with our committee during the course of its investigations.

PART II—OUTLINE OF MAIN PROBLEMS AND SUMMARY OF CONCLUSIONS

The committee's activities have been focused on the four major problems of highway management:

1. Determination of the proper size, cost, and use classification of a modern highway system.

2. Fair distribution of these costs among various groups of highway users and general taxpayers.
3. The proper allocation of administrative authority and financial responsibility among the levels of government.
4. Regulation of highway use to obtain maximum service and to protect life and property.

From analysis and interpretation of the data bearing on each of these major problems your committee has reached four basic and controlling conclusions:

A. Important Segments of California's Road and Street System Are Critically Inadequate and Need Immediate Improvement

The present system does not have sufficient capacity to move existing volumes of traffic economically, safely, or conveniently. And it will become progressively more deficient in view of expected increases in motor vehicle use. It is obvious that key segments of the system must be rebuilt to modern standards of lane capacity, alignment and grade; and all tested devices for minimizing traffic hazards must be built into the system without delay.

An aggregate expenditure of at least $2,819,853,000 between July 1, 1945 and June 30, 1959 will be required in order to modernize the road and street plant, provide adequate maintenance, and assure efficient administration.

Work under way or projected for the period up to January 1, 1948, will reduce the amount of expenditure required for this minimum highway program from January 1, 1948, to June 30, 1959, to $2,434,730,000.

The committee is convinced that the best possible use of an inherently deficient plant will not produce the kind and quality of automotive service required for a balanced development of the social and economic life of California. When a physical plant becomes functionally or technically obsolete it must be rebuilt or expanded. Otherwise, stagnation sets in, inefficiencies multiply, and costs mount.

Your committee recognizes that sound management of highway, road, and street facilities requires as a primary objective the preservation of the substantial capital investment in the existing plant by making adequate provision for maintenance. Therefore, the Legislature should first make provision for such maintenance.

Ordinary business prudence dictates, however, that we should not attempt during the next decade to extract 45,000,000,000 miles of vehicle travel annually from a road and street system that is visibly inadequate to carry the present annual traffic load of 32,000,000,000 vehicle-miles. By that course of inaction the users would in reality pay as much for a thoroughly inefficient service as would be required to finance a modern road plant.

The basic choice is clear. The people should be in favor of investing capital in a long-term right-of-way acquisition program and the building of a permanent and productive road plant as against dissipating a greater amount in high operating costs, in highway maintenance and vehicle operation, repair and replacement of damaged vehicles, increased insurance outlays, and the mending of personal injuries, not to mention the terrible loss of life in traffic accidents.

The program of road and street modernization proposed in the Engineering Report is, in the judgment of the committee, conservative and a bare minimum of the needs of the State. In this regard the committee desires to call attention to the estimates of need as submitted by the counties, upon which the program of county road improvement proposed in the Engineering Report was based after making certain adjustments. The total amount of critical deficiencies and necessary improvements as reported by the counties was $322,635,560. However, in its hearings throughout the State the committee found that few of the counties had made an adequate determination of either their critical deficiencies or necessary improvements. This was due in part to the inability of the counties to secure sufficient trained engineering personnel due to wartime conditions. In part it was due to the lack of a centralized and efficient road administration. Obviously the figure above mentioned cannot be considered as an accurate estimate of county road needs. The committee believes the sum is entirely inadequate to put our county roads in proper condition.

It was also apparent to the committee during the course of its hearings that a number of cities did not have adequate plans and information upon which to base accurate estimates of their needed street improvements.

The committee recognizes the necessity for an investigation, study, and report upon the critical deficiencies and necessary improvements of both the county road and major city streets systems. It recommends that the Legislature direct the California Highway Commission to make a complete survey thereof, in cooperation with the counties and cities, and report its findings to the Legislature.

In general, however, the program outlined in the Engineering Report is soundly conceived in its major outlines. The engineering standards applied in formulating the improvement program for the various road and street systems are those developed by the American Association of State Highway Officials. The recommended programming of improvements assigns priorities where they belong: On the roads and streets which are of primary interest to the motor vehicle users who will be expected to assume a major portion of the costs. The estimates of aggregate cost take account of probable changes in the price level, make allowance for adequate maintenance of the road and street plant, and provide for the necessary administrative overhead. In our opinion any lesser program will fail to provide acceptable standards of service.

The existing revenue system will produce approximately $1,862,782,000, under present tax levies and rates, at expected levels of motor vehicle use and projected property valuation. The difference between estimated aggregate cost and revenue, amounting to at least $957,071,000, must be obtained either from other sources or by increasing the present rates of user charges (fuel taxes, license fees, etc.)and property taxes.

B. The Present System of Dividing Road and Street Costs Among Taxpayers Is Inequitable in Important Respects and Requires Adjustment

1. Division of Total Highway Costs Between General Taxpayers and Highway Users

A road and street system of the character and magnitude proposed in this report will require expenditures at a rate considerably in excess

of the present level. The proper assignment of these costs among groups of taxpayers raises the most controversial issues involved in the problem. We have not in the course of our study been able to discover authoritative rules or principles by which anyone can devise precise taxing policies and schedules that will serve to divide total costs with exact fairness among those who are expected to benefit from road and street use. We believe, however, that there has been accumulated a sufficient body of data to afford substantial guidance in the formulation of a workable and fair system of highway management and financing.

The general method under which highway costs have been divided between general taxpayers and motor vehicle users does not provide a fair distribution of the burden. Motor vehicle users have been singled out as a special class of beneficiaries and, since 1920, have been assigned progressively larger portions of the highway bill. The road and street facilities which are of predominant interest to these special users remain critically deficient. Substantial amounts of state-collected user taxes have been expended on segments of California's road plant which carry small percentages of the total traffic. This dispersion of revenue has obviously retarded scientific programming of road improvement in accordance with transportation requirements

Under these circumstances it would be inappropriate to fill the revenue gap by the simple device of a proportional increase in present tax rates. This would only perpetuate and intensify the existing inequities.

What is required is a basic reclassification of roads and streets in accordance with the predominant purposes served This method affords the most orderly device for dividing financial responsibility for construction and replacement between motor vehicle users and other taxpayers. The cost to be assumed by motor vehicle users, as special taxpayers, should be limited to specifically designated systems composed exclusively of roads and streets which can be justified on the basis of transportation savings. The cost of other facilities which are maintained primarily to give access to land and dwellings must be borne by the present and prospective beneficiaries of their use.

By making practical application of these principles to the program proposed in the Engineering Report, your committee finds that motor vehicle users as a class should be assigned primary financial responsibility for:

a. The improvement and maintenance of the State Highway System. It is not contemplated that primary responsibility for any portion of the State Highway System will be transferred to local jurisdiction.

b The construction and replacement (capital outlays) of a system of primary county roads, which system will be fixed under standards adopted by the Legislature.

c. The construction and replacement (capital outlays) of a system of city streets of major importance, which system will be limited according to standards adopted by the Legislature.

2. Distribution of the Highway Users' Share of Costs

The portion of the total highway bill assignable to motor vehicle users, as such, is at present not equitably divided among the users of various classes of motor vehicles (passenger cars and light trucks, privately-operated commercial vehicles, and for-hire commercial vehicles).

The problem facing the Legislature is essentially one of finding a fair, just and reasonable price for a publicly-provided service. It is complicated by all of the inherent issues encountered by regulatory commissions in setting a fair rate for public utility services such as railroad transportation, power, heat, and light. For the State, in providing road and street facilities, is in effect managing and financing a full-scale transportation system. In establishing the prices to be paid by the users of this service the Legislature is therefore acting in the same general capacity as a regulatory commission in fixing reasonable rates for privately-owned utilities. These public regulatory commissions apply certain universally accepted standards. Thus, no private utility is permitted to charge a rate which would produce an exorbitant profit. All rates as applied to similarly situated individuals or communities must be nondiscriminatory. And, of equal importance, individual rates must bear some reasonable relationship to the cost of performing specific services

There is no apparent reason why the same standards should not bind the State in establishing tax rates for the use of its highways In short, by the application of these generalized standards at least the upper and lower limits of a reasonably fair system of user charges can be definitely established. Determination of the specific rate schedules within these limits is an appropriate function of the Legislature where highway charges are concerned, just as the exercise of discretion and judgment is the function of regulatory commissions in other fields of utilities operation.

In the judgment of your committee, the evidence indicates that the existing system of user taxes is defective in at least two major respects: First, it discriminates against small vehicles because it relies primarily upon gasoline taxes; and gasoline consumption per mile does not increase proportionally to the gross weight of the vehicle. Second, while the present user tax system, with its 3 percent gross receipts tax on intercity for-hire operations does not discriminate against for-hire vehicles as a group, it does discriminate against certain for-hire vehicles whose annual mileage is no greater than that of certain private vehicles of a similar size but which are not subject to the gross receipts tax.

The fact that gasoline consumption does not adequately measure highway use makes it necessary to devise supplementary taxes which will make up the deficiency of the gasoline taxes. Based on analysis of several possible tax bases, we have concluded that a system of mileage taxes, supplemented by an annual registration fee at a nominal rate, affords the fairest and most workable method of developing a balanced system of user charges.

Mileage taxes, applicable only to vehicles over a given gross weight, would supplement the registration fee and the motor fuels taxes in an equitable manner because they would directly measure highway use and, hence, benefits derived from highways. The mileage tax schedule should be graduated with the gross weight of the vehicle to compensate

for the gasoline tax deficiency, in order to require payments on each vehicle commensurate with size as well as mileage traveled.

The upper limit for mileage taxes may be established by the ton-mile method, that is, the tax schedule should require tax contributions from vehicles proportional to their relative ton-miles of operation. Gross ton-miles may be considered an appropriate measure of highway use and hence of benefits derived. Adoption of a mileage tax of this nature will shift part of the relative tax burden from light vehicles to heavier vehicles.

The lower limit for mileage taxes may be established by adjustments designed so that the total relative contribution by commercial operators will not be less than that which exists under the present system of user taxes. These mileage tax rates may be considered the minimum. For it would be inequitable to reduce the relative contributions of commercial operators in the face of evidence that the existing system already discriminates against private passenger cars, particularly in view of the fact that the improved road plant will benefit commercial users as well as passenger cars and that many of the critical deficiencies in the existing system are directly traceable to the heavy vehicles of commercial users. A mileage tax system predicated upon the lower limit would not change the distribution among major vehicle classes, and hence would not remove discrimination against passenger cars It would, however, improve the internal distribution of the burden among heavy commercial vehicles and eliminate discrimination against certain for-hire and low-mileage vehicles.

An additional adjustment is required in the user tax system because diesel fuel consumption per mile is substantially less than gasoline consumption per mile for vehicles of the same size.

C. Revisions of a Fundamental Nature Are Required in the Methods Now Employed to Divide Authority and Responsibility Among Levels of Government

Under existing arrangements the State recognizes that it has certain responsibilities for the support of roads and streets lying outside the designated State Highway System. At present, an attempt is made to satisfy this responsibility through a complicated and irrational set of allocation formulae. There are several fundamental defects in this procedure which need remedying.

The present formula method of allocating state aid is arbitrary, both as to total amount of funds allocated and as to distribution among individual counties and cities. For instance, in the distribution of gasoline tax moneys to counties in the Fiscal Year 1946, at one extreme a county with 518 miles of maintained county roads received $1,133,672, or $2,187 per mile, while at the other extreme a county with 953 miles of maintained county roads received $48,260, or $51 per mile. Obviously, the amounts made available to local units bear no necessary relationship either to the true road and street needs or to the real and variable costs of satisfying those needs.

Several counties now violate the most elementary standards of efficient road management. They divide available funds arbitrarily among supervisorial districts. By failing to center policy-making in the governing body of the county, and administrative responsibility in a single

agency or individual, they confuse overhead control with execution of a program and get poor results on both scores.

These defects can be remedied by the following measures:

1. Revising methods of distributing highway-user funds to local units and limiting the application of construction funds to a system of primary county roads and a system of major city streets strictly defined under standards adopted by the Legislature.
2. Withholding state financial aid from any county or city that has not established centralized and efficient road or street administration and made provision for adequate reporting of road and street expenditures to the State Controller.[1]

It is contemplated that the Legislature should adopt standards defining the county roads and city streets eligible for inclusion in the primary county road and major city street systems. The county board of supervisors or the city council, as the case may be, should, after local public hearing properly advertised, select the roads or streets to be included in such systems. At the state level the approving authority should not disapprove the inclusion of any road or street designated by the local authority until and unless the state authority holds a local public hearing, properly advertised, in the particular county or city affected.

The State, as a representative of the people as a whole, cannot be indifferent to the inefficient use of tax resources. Much less can it overlook the wasting of state-collected revenues. Consequently, where the proceeds of state-imposed tax levies are involved, it is imperative that the State limit the application of those funds to the purposes for which they were collected and guarantee their effective use. In practical application this means that user charges, collected as the price for a specific highway service, must be applied only to those roads and streets which have been provided to meet the needs of motor vehicle users.

The purpose of the controls outlined above is not to deprive local units of the initiative and independent action necessary to the exercise of local self-determination in the administration of roads and streets. Rather, the purpose is to strengthen local highway management and, at the same time, to protect the State's interest in the use of funds dedicated primarily to the needs of motor vehicle users.

The State could, of course, choose to discharge its responsibility in this matter by centralizing control over all roads and streets which possess any state-wide importance. Thus, it could absorb into the State System all roads and streets which are to receive support from user revenues. This line of action would leave many local units, especially counties, unable to carry on the residual road function. And it would inevitably lead to complete centralization of all road and street work in the state agency, an alternative that has been adopted in several states (North Carolina, West Virginia, Virginia, and Delaware) but which this committee feels would be a step in the wrong direction.

The general plan of administration recommended in this report is designed to strengthen local road administration and at the same time to

[1] The County Supervisors Association of California, in a resolution adopted November 14, 1946, recognized the desirability of consolidation of county road administration

discharge more effectively the inherent responsibility which resides in the State Government. It is contemplated that counties and cities will program, budget for, construct, and maintain the projects on their primary county road systems and their major city street systems. The plan will require that the projects initiated by the counties and cities be approved at the state level, primarily to insure integration of the road and street systems. There is now no method by which the local levels of government can effectively coordinate their proposed improvement programs.

Successful management of any undertaking of the size and complexity contemplated in a future highway program costing at least 2.8 billion dollars obviously requires a nicely balanced system of cooperation among the various levels of government under the most efficient administrative organization that can be devised.

Under the general plan of administration recommended in this report, it is not intended that the California Highway Commission shall take over the letting of contracts, actual construction, and other functions now in charge of county and city authorities. The committee believes it desirable to maintain a maximum of local responsibility and authority. But it also believes that the Legislature in appropriating state funds is charged with the duty of providing state supervision over the expenditure of these funds. Therefore, it is contemplated that the California Highway Commission be given a role of general supervision and responsibility for successfully carrying out the highway improvement program. Under these circumstances it is imperative that certain organizational defects in the existing system be corrected.

Fundamental authority and responsibility for highway work is now confused organizationally with unrelated lines of government action. The highly specialized and technical nature of the highway program and the need for continuity of policy in a long-range plan of capital investment require the establishment of organizational arrangements adapted to these specialized problems and unencumbered by unrelated activities. Clarification is needed in the lines of authority and responsibility connecting the legislative department, the executive department, and the highway commission. Specifically, it is recommended that the continuing function of policy-making with respect to highway administration be centered in a highway commission, composed of not more than seven members serving overlapping terms and appointed by the Governor subject to Senate confirmation and removal by a two-thirds vote of both the Senate and Assembly. All highway programs proposed by the commission should be carried out under the immediate supervision of a chief highway engineer operating under published rules and regulations adopted by the commission under standards enacted by the Legislature Any such program requires an efficient system for distributing such regulations to all persons who would be affected thereby. The best means of accomplishing this would be to include the commission's rules and regulations in the California Administrative Code and make the code easily available to all interested persons.

The budget for administration of the Division of Highways should be included in the State Budget Bill. The commission should also be required to report to the Legislature each year its proposed budget for mainte-

nance and construction, together with a report to the Legislature on the fulfilment or the reasons for any changes in the budget of the previous year.

D. Current Regulation of Highway Use Does Not Produce Maximum Service Nor Does It Afford Adequate Protection for Life and Property

No amount of capital investment in a road and street plant can produce optimum service in the absence of effective regulation of highway use. In the management of a public monopoly, such as highways, regulatory responsibility devolves on public agencies. Satisfactory results in this field cannot be left to the forces of competition as in the case of general business activity. There can be no escape from the conclusion that the current standards and methods of highway regulation in California are failing to produce the best possible use of our road and street plant.

Capital investment is being destroyed by unrestricted operation of heavy vehicles on roads and bridges originally designed to carry light loads only. Especially serious problems arise because of the inability of counties and cities under present laws to restrict the use of their roads, streets, and bridges to the types of operation for which those facilities were designed.

This situation should be corrected by vesting in the counties and cities full legal authority to control the conditions and standards of use on all county roads and city streets except those in the state highway, primary county, and major city street systems. The conditions and standards of road use on the county primary and major city street systems should be proposed by the appropriate local officials subject to general approval by the California Highway Commission to insure uniformity.

The Highway Commission should be given adequate authority to restrict the use of all state highways when the commission finds that the State's investment in its road plant will be substantially jeopardized or destroyed by unrestricted use of the state highways by heavy vehicles.

The disproportionate rate of motor vehicle accidents on California's roads and streets affords inescapable evidence of defects in the enforcement system.

It is true that traffic density is greater on California's highways than in any other state and that our State now stands first in motor vehicle registrations and motor vehicle miles traveled. However, your committee has been unable to discover any rational explanation for the fact that California has more fatal accidents than the combined total for the two most populous states in the Nation: New York and Pennsylvania. We have, on the contrary, found convincing evidence that this unparalleled accident rate can be reduced quickly and substantially by well-tested methods of law enforcement.

Certainly, we can make more humane use of our existing road and street plant. Law enforcement administered in accordance with tested concepts and administrative techniques, adequately financed, can reduce quickly the senseless slaughter and injury that is rapidly transforming a potentially useful transportation medium into an instrument of economic and human waste.

If there are those who must be convinced that money dividends will be earned by public funds spent to reduce highway deaths, that, too, can be demonstrated. For our failure to enforce reasonable standards of safety and responsibility in the use of our roads is reflected clearly in property losses, personal injuries, and loss of personal income amounting to more than $200,000,000 annually. A substantial portion of this amount is sheer and preventable waste.

PART III—GENERAL CONCLUSIONS AND SUMMARY OF RECOMMENDATIONS

Manifestly, translation of these findings and conclusions into legislative policy and administrative action will require revisions and adjustments in our accustomed concepts and methods. But, in the judgment of your committee there can be no responsible difference of opinion regarding the long-range objective of this program. The State of California has grown to economic maturity in the midst of revolutionary changes in the methods of moving goods and people—those brought about by automotive transportation

Our agricultural, industrial, and social structure bears the indelible imprint of the motor vehicle The efficiency of modern life, whether in business or recreation, is measured in terms of how long it takes to move from place to place; how much it costs in dollars and cents; and how much it costs in life, limb, and personal exasperation. We could not alter these facts in the foreseeable future even if we wished to do so. But we can face up to the fact that, tested by any reasonable standards of efficiency convenience, and safety, our present highway plant is grossly deficient. It produces congestion, waste, and annoyance where an efficient system would supply freedom of movement, economy, and personal convenience. It kills and maims people at seemingly insatiable rates in the face of a demonstrated fact that engineering and enforcement can rid highway use of its major hazards.

There is, of course, room for reasonable differences of informed opinion regarding several aspects of the program recommended in the Engineering Report In devising any plan to be carried out over a period of more than a decade, long-range projections must be made. Thus, it was necessary to make estimates regarding population and motor vehicle ownership and use, as well as to estimate the costs of material and labor which would go into the construction program. Predictions of this type are hazardous at best. But in our judgment the most reliable data obtainable were utilized in formulating the projections which underlie the recommended program. And, where speculation was involved, doubt was resolved on the side of conservatism.

We feel strongly that differences of opinion regarding these necessarily estimated factors should not be permitted to obscure the controlling fact that an early start should be made in modernizing California's road and street system. We believe that the recommended program affords a sound bench-mark for that beginning. Any subsequent adjustments that might be required in the program because of changed conditions can be made without altering the long-range objective.

Important aspects of the highway problem have been controversial for many years and will so remain until wide gaps in present information

and knowledge are filled. Other equally important issues can never be resolved by measurement and analysis. In these areas sensible choices can be made only through the legislative process and on the basis of considerations which overlap other fields of government responsibility and action.

We have sought to determine the financial responsibility of various groups of taxpayers and to provide the Legislature with the facts necessary to assess the burden properly once the Members of the Legislature decide the size of the future program.

However, the following recommendations would apply to any future program which may be adopted:

1. That a vastly more expanded and accelerated right-of-way acquisition and highway construction program be undertaken immediately.

2. That all funds available at present or to become available before July 1, 1948, be concentrated on the most critically deficient parts of the highway system.

3. That the Legislature provide additional financing to carry out the program recommended in this report in accordance with the principles set forth herein.

4. That a sinking fund sufficient to retire all state highway bonds be established by an appropriation out of the general funds of the State.

5. That the necessary steps be taken to assure funds for adequate maintenance of the existing highway, road, and street plant.

6. That the "in lieu" tax be returned to the counties and cities, after deducting the costs of administration, to be used for the maintenance of roads and streets.

7. That county roads be legally classified by providing a system of primary county roads, to be fixed under standards adopted by the Legislature.

8. That the existing legal classification of major city streets remain unchanged but be limited according to standards adopted by the Legislature.

9. That the California Highway Commission be reorganized in accordance with the principles set forth herein.

10. That the California Highway Commission also be organized and provided with effective cooperative machinery so as to assume a role of general supervision and authority with regard to the county primary system and the major city street system; and that all projects on these systems which are proposed and budgeted for by the county boards of supervisors and the city councils, to be paid for in whole or in part from state-collected user revenues, be approved by the commission before bids are advertised or work is begun on the projects.

11. That before July 1, 1948, each county be required to consolidate its county road administration in a central county road department adequately staffed with competent personnel.

12. That the California Highway Commission be given the authority to restrict and otherwise regulate the use of all state highways, and approve restrictions of use of primary county roads and major city streets proposed by local officials; and that the county boards of supervisors and the city councils be given the authority to restrict and regulate the use of other roads and streets.

13. That the Legislature provide for more efficient traffic law enforcement.

14. That the Legislature enact legislation without delay, as the problem is one of greatest urgency. Where it is recommended that certain provisions become effective at a later date, the legislation itself should be enacted immediately so that the various public officers will be authorized to take the necessary administrative action.

The foregoing report is approved by the undersigned members.

Respectfully submitted.

RANDOLPH COLLIER, Chairman
CHARLES W. STREAM, Vice Chairman
JERROLD L. SEAWELL
JAMES J. McBRIDE
THOMAS McCORMACK
BEN HULSE
GEORGE J. HATFIELD
CHARLES W. LYON
GERALD P. HAGGERTY
BERNARD A. SHERIDAN
MICHAEL J. BURNS

MINORITY REPORT

We, the undersigned members of the committee, while agreeing in the main with the foregoing report, are not prepared to accept without qualification the cost estimates contained in the staff's engineering report or the revenue estimates contained in the staff's financial report. These estimates cover a 14-year period beginning on July 1, 1945, and ending June 30, 1959 It is impossible to judge economic trends that far in advance with any degree of accuracy and estimates must of necessity be guesses.

Concerning the cost estimates, we observe that they are not based on precise engineering detail, nor are they related to specific projects. Moreover, the staff has estimated that unit costs in the 10-year period beginning in 1949 will approximate those of 1946. Yet the engineering report indicates graphically that following World War I, costs advanced but two years and then there was a long period of declining costs. It can also be pointed out that engineering techniques will doubtless continue to advance in the future as in the past. Unit costs, therefore, should decline as more labor saving machinery is used and as more advanced methods are employed. A 25 percent error in cost estimates would place revenue needs in an entirely different light.

Concerning revenue estimates, there is room for much doubt. The California Major Highway Development Committee, which embraces persons highly qualified to judge highway finance trends, estimates that revenues from existing sources will be considerably higher than does the technical staff. On the basis of the revenue estimates of this citizens group, taking into account an independent computation of the probable amount of property tax money available for highway purposes, there will be enough revenue available from carry-over balances and current

revenue sources to take care of the expenditures recommended in the staff report for the next four years. Speed in providing additional revenues, therefore, is not an answer to California's present highway problem, although the program should be undertaken at once.

It thus appears to the undersigned that the over-all program can be carried forward in this transitional period without the need of increase in any taxes; and such increases can be imposed when and as the actual facts, both with respect to the cost of the program and the yield from the present revenue system, become clear.

(Signed) JACK B. TENNEY
FRANK J. WATERS

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following bills were introduced, and read the first time:

Assembly Bill No. 1: By Messrs. Burns and Sheridan—An act to create the Highway Users Tax Fund in the State Treasury and to provide for the deposit therein of certain proceeds of certain taxes and licenses on motor vehicle fuels and on vehicles, motor vehicles, and the operation thereof, and in connection therewith to amend Sections 8352, 9302, 9303, 9304 and 10452 of, and to add Sections 8353 and 10456 to, and to repeal Sections 8353, 8353.5, 8354, 8355, 8356, 8357 and 8358 of, the Revenue and Taxation Code; to amend Section 7 of Chapter 788, Statutes of 1937; to amend Section 781 and to repeal Sections 780 and 782 of the Vehicle Code, and to add Division 3 to the Streets and Highways Code.

Referred to Committee on Revenue and Taxation.

Assembly Bill No. 2: By Messrs. Burns and Sheridan—An act relating to funds for street and highway purposes and the allocation thereof; providing for the administration of street and highway work by the State, counties, cities and counties, and cities, and the respective functions of each, and in connection therewith to add Section 29 to the general provisions of, and to add Chapters 1, 2, and 5 to Division 3 of, and to add Sections 2102 to 2106, inclusive, to Chapter 3 of Division 3 of, and to amend Sections 194 and 195 of, and to repeal Sections 203, 1621, 1622, 1623, 1624, 1625, 1625.5, 1626, 1626.5, 1627, and 1628 of, the Streets and Highways Code, and to repeal Section 779 of, and to add Section 779 to, the Vehicle Code.

Referred to Committee on Revenue and Taxation.

Assembly Bill No. 3: By Mr. Burns—An act to amend Sections 181, 188, 189, 193 and 300 of, and to repeal Sections 190, 191, 232 and Article 2 of Chapter 2 of Division 1 of the Streets and Highways Code, relating to streets and highways and providing for the abolition of the distinction between primary and secondary state highways.

Referred to Committee on Conservation and Planning.

Assembly Bill No. 4: By Messrs. Burns and Sheridan—An act to amend Sections 70 and 70.1 of, and to add Sections 70.3, 70.4, 70.5, 70.6, 70.7, 70.8, 70.9, 74, 74.1, 74.2, 74.3 and 74.4 to, the Streets and Highways

Code, relating to the powers and duties of the California Highway Commission in connection with public highways.

Referred to Committee on Governmental Efficiency and Economy.

Assembly Bill No. 5: By Messrs. Burns and Sheridan—An act to amend Sections 713, 714, and 715.5 of the Vehicle Code, relating to reduction of weight limits on streets and highways.

Referred to Committee on Transportation and Commerce.

Assembly Bill No. 6: By Messrs. Burns and Sheridan—An act to amend Section 7351 of the Revenue and Taxation Code, relating to the rate of tax on distribution of motor vehicle fuel, to take effect immediately.

Referred to Committee on Revenue and Taxation.

Assembly Bill No. 7: By Messrs. Burns and Sheridan—An act to amend Section 8651 of the Revenue and Taxation Code, relating to the use of fuel tax, to take effect immediately.

Referred to Committee on Revenue and Taxation.

Assembly Bill No. 8: By Messrs. Burns and Sheridan—An act to repeal Part 4, comprising Sections 9601 to 10501, inclusive, of Division 2 of the Revenue and Taxation Code, imposing a tax upon persons engaged in the transportation of persons or property for hire or compensation by motor vehicle, to add Part 4, comprising Sections 9601 to 10501, inclusive, to Division 2 of the Revenue and Taxation Code, and to amend Section 372 of the Vehicle Code, relating to the imposition of taxes and fees to be paid by persons operating commercial vehicles, and providing that this act shall take effect immediately.

Referred to Committee on Revenue and Taxation.

Assembly Bill No. 9: By Mr. Burns—An act to amend Section 370 of the Vehicle Code, relating to vehicle registration fees.

Referred to Committee on Transportation and Commerce.

Assembly Bill No. 10: By Mr. Burns—An act to amend Sections 276, 277, and 381, and to repeal Section 276.5, of the Vehicle Code, relating to operator's and chauffeur's licenses.

Referred to Committee on Transportation and Commerce.

Assembly Bill No. 11: By Messrs. Burns and Sheridan—An act to amend Section 374 of, and to repeal Sections 162 and 374.5 of, and to add Section 374.5 to, the Vehicle Code, relating to exemptions of liability for fees of publicly owned vehicles.

Referred to Committee on Transportation and Commerce.

Assembly Bill No. 12: By Messrs. Burns and Sheridan—An act to amend Sections 7401, 8101, 8102, and 8103 of, and to add Section 8103.5 to, the Revenue and Taxation Code, relating to motor vehicle fuel license taxes.

Referred to Committee on Revenue and Taxation.

Assembly Bill No. 13: By Mr. Weber—An act to add Article 4 to Chapter 3 of Division 1 of the Streets and Highways Code, relating to the use and occupation of real property lying within the lines of mapped state highways, restricting the use of property within such lines by the persons owning or possessing the same in the interest of such persons and the public, requiring building permits for the erection of buildings or structures in unincorporated areas, and prescribing the powers and duties of certain state and local officers in connection with the carrying out of the provisions of said article.

Referred to Committee on Conservation and Planning.

Assembly Bill No. 14: By Mr. Beck—An act to add Section 530 to the Streets and Highways Code, relating to state highway routes.

Referred to Committee on Transportation and Commerce.

COMMITTEE FROM THE SENATE

Senators Weybret, Watson, and Kraft appeared before the bar of the Assembly, and announced that the Senate was organized, and ready to proceed with the regular business.

REPORT OF SELECT COMMITTEE

The Select Committee appointed to wait upon the Senate reported that it had performed its duties.

APPOINTMENT OF COMMITTEE ON RULES

The Speaker announced that the Committee on Rules of the Fifty-seventh (General) Session would be the standing Committee on Rules of the Fifty-seventh (First Extraordinary) Session.

REPORT OF SELECT COMMITTEE

The Select Committee appointed to wait upon the Governor reported that it had performed its duties.

REQUEST FOR UNANIMOUS CONSENT THAT ADDRESS BY GOVERNOR WARREN BE PRINTED

Messrs. Doyle and Wollenberg asked for, and were granted, unanimous consent that the address to be delivered by His Excellency, the Honorable Earl Warren, Governor of California, in Joint Convention this afternoon, be ordered printed in the Journal.

RECESS

At 1.03 p.m., on motion of Mr. Dickey, the Assembly recessed until 2.30 p.m.

REASSEMBLED

At 2.30 p.m., the Assembly reconvened.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, January 13, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate has elected the following statutory officers for the Fifty-seventh (First Extraordinary) Session:

President pro Tempore—Harold J. Powers
Secretary of the Senate—Joseph A. Beek
Sergeant-at-Arms—Joseph F. Nolan
Minute Clerk—John F. Lea
Chaplain—Dean William C. Pearson

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

IN JOINT CONVENTION

ASSEMBLY CHAMBER, SACRAMENTO

Monday, January 13, 1947

At 2.56 p.m., the Senate and the Assembly met in Joint Convention. Hon. Sam L. Collins, Speaker of the Assembly, presiding. Chief Clerk Arthur A. Ohnimus at the desk.

ANNOUNCEMENT

Speaker Sam L. Collins announced the presence in the Assembly Chamber of the Hon. Goodwin J. Knight, Lieutenant Governor of the State of California and President of the Senate; and the Hon. Harold J. Powers, President pro Tempore of the Senate, and invited them to the rostrum.

ASSEMBLY ROLL CALL

Hon. Sam L. Collins, Speaker of the Assembly, directed the Chief Clerk of the Assembly to call the roll of Assemblymen.

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—79

The Speaker of the Assembly declared a quorum of the Assembly present.

SENATE ROLL CALL

Hon. Harold J. Powers, President pro Tempore of the Senate, directed the Secretary of the Senate to call the roll of Senators.

The roll was called, and the following answered to their names:

Senators Breed, Brown, Burns, Busch, Carter, Collier, Crittenden, Cunningham, DeLap, Desmond, Deuel, Dillinger, Dilworth, Donnelly, Gordon, Hatfield, Hulse, Jespersen, Judah, Keating, Kraft, Mayo, McBride, McCormack, O'Gara, Parkman, Powers, Quinn, Rich, Salsman, Slater, Sutton, Swing, Tenney, Ward, Watson, Weybret, and Williams—38.

The President pro Tempore of the Senate declared a quorum of the Senate present.

APPOINTMENT OF JOINT COMMITTEE ON ESCORT

Hon. Harold J. Powers, President pro Tempore of the Senate, announced the appointment of Senators Ward, Busch, and Donnelly as the Senate Committee to escort His Excellency, Hon. Earl Warren, Governor of the State of California, to the bar of the Assembly.

Hon. Sam L. Collins, Speaker of the Assembly, announced the appointment of Messrs. Lyons, Fletcher, Robertson, Cramer, and Huyck as the Assembly Committee to escort His Excellency, Hon. Earl Warren, Governor of the State of California, to the bar of the Assembly.

REPORT OF JOINT COMMITTEE ON ESCORT

The Joint Committee on Escort, appointed to wait upon the Governor and escort him to the Joint Convention, appeared at the bar of the Assembly, and announced the presence of His Excellency, Hon. Earl Warren, Governor of the State of California.

PRESENTATION OF THE LIEUTENANT GOVERNOR

Hon. Sam L. Collins, Speaker of the Assembly, then presented Lieutenant Governor Knight to the Joint Convention.

PRESENTATION OF THE GOVERNOR

Hon. Goodwin J. Knight, Lieutenant Governor of California, then presented Governor Warren to the Joint Convention.

ADDRESS BY THE GOVERNOR

Governor Warren then proceeded to address the Joint Convention as follows:

Mr. Speaker, Mr. President, Members of the Legislature:

I have called you into extraordinary session today for the purpose of considering measures to bring our highways up to date and to make their use safe for our people. Thousands of lives are being lost—thousands of people are being injured—and the development of our State is being retarded because we are trying to take care of the automotive transportation needs of 9,000,000 people on an outgrown highway system.

There was a time when California had the outstanding highways in the Union, but they have failed to keep abreast of population growth and transportation demands. Their inadequacy today is apparent to anyone—and in tragic terms.

Fatality and injury rates on our highways have been mounting year by year. In total numbers per state, they are the most numerous in the Nation. In per capita terms, only three small states—Wyoming, New Mexico and Nevada—have records worse than ours. We do not yet have the final figures, but at least 3,800 of our people met violent death on California streets and highways in the year just ended, and approximately 80,000 were injured.

In other words, traffic accidents killed 41 and injured 851 of every 100,000 persons in our State in 1946. Elsewhere, deaths from this cause have been held to a ratio as low as eight per 100,000, and the national average is 26. The total number of such deaths in California every year has been consistently higher than the combined total in New York and Pennsylvania, although the population of those two states is almost three times as great as ours. The chances of being killed in an automobile accident are four times as great in California as in Massachusetts, and endless other examples could be cited to show what a fearful toll of death and injury is being taken on California highways.

We all know that selfishness, recklessness and liquor contribute to the deplorable accident situation in California, but this is also true in other states. They are universal factors. They should account for a similar number of accidents among 9,000,000 people anywhere. The difference between such a number and the high total in California must be attributed to other reasons, particularly our congested obsolete highways.

During the war, we were not able to carry on our usual program of highway construction. Every available man, every piece of equipment and every ton of material that could be used for victory had to be put to work in that even higher cause. Meanwhile, our highway deficiencies were aggravated by enforced neglect—by additional

strains put on them by wartime traffic—and by a population increase unprecedented even for California.

The State Government did not, of course, shut its eyes to the situation. In 1943, you appropriated $12,000,000 for getting plans ready and for acquiring rights-of-way for a postwar highway construction program. Also, we assisted the counties financially to the extent of $1,500,000 in making their plans for new road work, and $12,000,000 for actual construction of feeder roads.

As a result of this preparedness, the State Highway Commission was able soon after the war ended to start a highway building program to the limit of available funds. Six months after V-J Day, a third of all the postwar highway construction contracts that had been let in the entire United States were in California. As of today, the commission has let contracts aggregating $80,000,000.

We were able to proceed with this large amount of work because funds had accumulated during the war, but all of these funds will be entirely committed when we end the biennium on June 30th of this year. After June 30th we shall be able to continue constructing highways only on the basis of normal, current revenues. For construction purposes there will be approximately $27,000,000 during the Ninety-ninth Fiscal Year.

Our postwar construction program, now so well underway, will not scratch the surface of our highway needs. In 1943, our Department of Public Works reported to the Legislature that in order to overcome deficiencies existing even at that time, work costing $700,000,000 would be required in addition to regular construction programs in order to provide an adequate highway system.

In the meantime, our population has grown tremendously. The number of automobiles has increased until we have one for every 2.5 persons in California, compared with one to 4.1 persons on the average in the United States. Our business life is keyed even more than before to highway transportation of raw materials and finished goods. We have 2,800,000 passenger automobiles, more by far than any other state in the Union. We have 300,000 trucks, and our trucks carry loads larger by 44 percent than the national average. We operate 3,100 school busses, involving the daily safety of 100,000 youngsters, and thousands of commercial busses that carry millions of passengers daily to their work and between our cities.

New highways must be built and existing highways must be modernized to take care of our situation, but they cannot be financed by present revenues. The books are badly out of balance as between the needs and the revenues, and we are going behind more and more all the time. There is no basis whatever for rumors that our Highway Construction Fund has excessive balances on hand. Such rumors only trifle with the lives of our people and the development of our State.

Even in preparing its budget for the coming fiscal year, our Division of Highways was compelled to defer approximately $40,000,000 in urgently needed work. The plans were ready, and the projects had been approved by the State Highway Commission, but the necessary funds are not available.

The principal source of our highway revenues is our 3-cent gasoline tax, which is now bringing in approximately $75,000,000 a year. In accordance with our statutes, 1 cent of the tax, now aggregating $25,000,000, is distributed to the counties of the State for their road work. The equivalent of one-half cent, or $12,500,000 is used in our cities to build and maintain their major streets as well as the state highways which go through them.

Therefore, $37,500,000 of the gasoline tax is available to the State. Other revenues, including federal aid funds, motor vehicle fees and taxes on diesel fuel, bring $20,000,000 into our State Highway Fund. During the coming fiscal year, the highway fund will finance construction and reconstruction to the extent of $27,000,000; maintenance of our highways, $12,000,000; right-of-way purchases, $6,000,000; engineering and planning, $2,600,000; administration, $2,700,000; and other items aggregating $6,800,000. But the important fact is that $27,000,000 only will be available for new construction or reconstruction of our highways.

In accordance with our statutes, all highway funds are divided in approximately equal amounts between the northern 45 counties and the southern 13 counties of the State. With $27,000,000 available for construction next year, about $13,500,000 thus will be used in each group of counties for this purpose. It is obviously insufficient. There are cases in which $13,500,000 could be wisely spent in one county alone and still fall far short of providing adequate highways.

The inability of present revenues to meet the situation is even more apparent when we realize that 5,000 of our 13,886 miles of highways are two-lane roads less than 20 feet wide. We also have 360 miles of three-lane highways, and everyone knows that two-lane roads are bottlenecks and three-lane roads are death traps. We are desperately in need of at least 2,500 miles of divided highways to protect lives and eliminate the congestion that causes personal irritation and economic loss.

The need for doing something to remedy our situation was recognized when your Joint Fact-Finding Committee on Streets, Highways, and Bridges was created in 1945. That committee has worked diligently for a year and a half. It was liberally financed and has made exhaustive studies of traffic conditions, highway needs and methods of

financing the necessary construction. Its findings—which show the estimates of the Department of Public Works to be conservative—are before you now. Therefore, it would appear that all the facts necessary for a solution of the problem are available, and that the Legislature is in a position to act.

Everyone agrees that California needs better highways. Every community is crying out for them. When we reach the point of considering methods of financing the program, however, we find ourselves for the first time in the realm of controversy.

It is human nature for all of us to want good highways, but it is also a trait of human nature to hope that somehow or other the other fellow will pay for them. However, I believe that the people of California realize that our highway system benefits everyone who uses it, and that all users should pay their fair share of the cost of construction and maintenance.

By the term, "their fair share," I mean that each user should pay according to the use he makes of our highways. I mean that trucks and busses should pay more than passenger cars, because they make greater demands upon the highway system. I mean that all trucks, whether operated commercially or privately, should pay comparable taxes for comparable use of our highways.

Practically every state in the Union has found that the fuel tax paid by heavy vehicles, as compared with the fuel tax paid by small passenger automobiles, does not represent the proportionate use that is made of the highways by these classes of vehicles. It is only fair, and it coincides with national experience, for the heavy vehicles to pay an additional tax.

On the other hand, I am of the opinion that even after we establish equitable rates of taxation among all users, there will not be enough money available to bring our highway system in California up to date unless we increase the present 3-cent gasoline tax. We can do this without being out of line with the rest of the Country. With one possible exception, no other state has a lower gasoline tax than ours.

This possible exception is Missouri, which has a 2-cent state gasoline tax, but which also permits cities and counties to levy a gasoline tax. California is one of seven states which have a 3-cent tax. Forty states have higher taxes, ranging from 4 cents to 7½ cents, with 20 levying a tax of 4 cents, nine a tax of 5 cents and six a tax of 6 cents.

I would much prefer to have California remain in the 3-cent group, as I know you would, but I see no escape from the necessity for an increase. In order to have good highways, we will have to pay for them. All of us should be willing to pay in accordance with the use we make of them or the benefits they bring to us, but in the last analysis we will pay a highway bill whether we construct highways or not.

If we temporize with present conditions or delay action by failure to agree upon a distribution of cost among the different users, we will pay for our highways in lost lives and suffering. We will pay in the irritations that result from traffic congestions. We will pay in retarded commercial and agricultural activities, in higher motor vehicle operating costs and in a gradual but relentless strangulation of the development of our State.

The division of revenues between urban and rural districts, and between the large populous centers and the smaller communities, may also cause differences of opinion and extended argument. However, I believe that the Legislature recognizes, as I do, that the State Highway System is designed for the benefit of all our citizens and for the ultimate development of our entire State. I am sure you also recognize that all parts of California are inter-dependent, and that no highway system will be adequate to our needs that does not provide suitable laterals as well as main arteries, and freeways through our cities as well as farm-to-market roads.

I feel sure that the combined wisdom and the sense of fairness of the Legislature will resolve such questions in the true public interest and in accordance with the paramount objective of developing California not only for ourselves but also for the millions who will follow us.

Questions as to how, when and in what order highways are to be constructed undoubtedly will also be considered by you, and I trust that answers will be found consistent with sound planning, engineering experience and current needs as ascertained by traffic experts. Any reversion to procedures which experience in California and other states has proved to result in log-rolling or in porkbarrel legislation would of course make an orderly development of our highway system impossible.

In this connection, your committee has requested that the call of this special session include the opportunity, if found desirable, to reorganize the State Highway Commission. I have no recommendation to make to you in this regard, because I do not know exactly what your committee has in mind, but I believe that it is a matter that you should be entitled to consider. Consequently, the call has been made sufficiently broad for that purpose.

Also, it has been recommended by your Committee on Governmental Reorganization that the call include consideration of the reorganization of the State Highway Patrol. Regardless of the promptness with which you act to modernize our highways, we will have to tolerate the present system while it is being replaced. If these highways are not used properly, we shall continue to lose too many lives and injure too many people. Therefore the organization of the patrol, its powers, duties and responsibilites,

its management, its training and its equipment are all matters that merit your very serious consideration.

Through the years the patrol has hardly had a fair opportunity to render its best service because the organization was developed by trial and error. Originally the enforcement of traffic laws was in the hands of district attorneys and sheriffs. When the responsibility was first assumed by the State, the power to appoint members of the patrol was retained by the supervisors of the 58 counties. Step by step, it was merged in the Department of Motor Vehicles, but looseness of organization and constant changes of state administration and department directors have militated against its development as a law enforcement agency through the establishment of sound, long-term policies for the enforcement of our traffic laws.

I am of the opinion that if we were to have a Department of Traffic Enforcement, we could serve the cause of traffic safety better than we do at the present time. Such a department would, of course, encompass the present highway patrol. It would have the responsibility of dealing with traffic problems throughout the State and the opportunity to cooperate with city and county governments in the development of traffic safety programs. This is something from which we can obtain immediate results.

I have called this special session because in my opinion these problems should have your undivided attention, and because the statutes you will enact will go into effect much earlier than they would if enacted at your regular session. Time is the essence of our problem, and I am sure that the people of California want us to proceed along these lines.

Throughout your deliberations, I want you to feel that my personal cooperation and every facility of my office are at your disposal. Our department heads, our engineers and fiscal experts, and everyone connected with State Government are anxious to help in solving the highway problems of California. As a matter of fact, our Division of Highways is ready right now with plans and specifications for two years in advance. All we need now for progress is the necessary legislation.

ADJOURNMENT OF JOINT CONVENTION

At 3.30 p.m., there being no further business, the Speaker of the Assembly declared the Joint Convention adjourned sine die.

IN ASSEMBLY

At 3.35 p.m., the Assembly reconvened.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

REQUEST FOR UNANIMOUS CONSENT TO ORDER EXCERPT PRINTED

Mr. Rosenthal asked for unanimous consent to print an excerpt from the Los Angeles Daily News in the Journal.

Mr. Dickey withheld unanimous consent.

Excerpt ordered referred to the Committee on Rules.

Point of Order

Mr. Dunn arose to the following point of order: That Mr. Rosenthal is not speaking to the question.

Ruling by Speaker

The Speaker ruled the point of order not well taken because the matter has been referred to the Committee on Rules.

ANNOUNCEMENT

Mr. Robertson announced that a caucus of the Democratic Members of the Assembly will be held in Room 426 upon adjournment.

QUESTION OF PERSONAL PRIVILEGE

Mr. Rosenthal arose to the following question of personal privilege That his remarks were not directed at the Governor, personally, but expressed his firm belief that there are more important matters affecting the people of California than the construction of highways, such as the problems of housing, and the need for the continuance of the child care centers.

ADJOURNMENT

At 3.50 p.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 2.30 p.m., Tuesday, January 14, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE

FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

SECOND LEGISLATIVE DAY

SECOND CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO

Tuesday, January 14, 1947

The Assembly met at 2.30 p.m.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McMillan, Miller, Nicholson, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—74.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

Visit us, O Lord, we beseech Thee, and purify our consciences that we may direct all our words and works according to Thy good pleasure, that we may deserve the constant assistance of Thy grace in all the problems of life, through Christ, Our Lord.—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Evans, further reading of the Journal of the previous legislative day was dispensed with.

MOTION TO EXCUSE COMMITTEE MEMBERS FOR TODAY AND SUBSEQUENT DAYS

Mr. Dickey moved that the following members of the Assembly Committee on Interstate Cooperation, now away from the Assembly attending to business of the committee, be excused for this legislative day, and all subsequent days, until the completion of present committee business; each member waiving his per diem: Messrs. McCollister,

Thomas, Ralph C Dills, and Crichton, and Mr. Thompson, who is substituting for Mr. Thorp

Motion carried.

QUESTION OF PERSONAL PRIVILEGE

Mr. Lowrey arose to the following question of personal privilege: That in his remarks, just made, he was not casting reflection upon the integrity of any committee, but was merely interested in clarifying committee policy.

RESOLUTIONS

The following resolution was offered:

By Mr. Dickey:

House Resolution No. 8

Resolved, That the following named persons be and they hereby are appointed to the positions hereinafter set forth, with the compensation set opposite their names payable weekly, and the Controller hereby is directed to draw his warrants in favor of the respective persons for the said respective amounts, and the Treasurer hereby is directed to pay the same; said compensation to be upon a seven-day week basis:

Commencing Monday, January 13, 1947:

Chief Clerk, Arthur A. Ohnimus	$10 00
First Assistant Clerk, Harold F. Lewright	9 00
Minute Clerk, Geraldine B. Hadsell	9 00
Sergeant-at-Arms, Wilkie Ogg	9 00
History Clerk, Ethel Brockelbank	7 00
Engrossing-Enrolling Clerk, Charles Robbins	7 00
Journal Clerk, Albert Day	7 00
Secretary to Speaker, Irene Anderson	7 00
Secretary to Chief Clerk, Dolly Smith	7 00
Assistant Clerk, Robert J. Finnie	7 00
Assistant Clerk, Carroll Parish	7 00
Chief Stenographer, Juanita Dependener	7 00
Bookkeeper to Sergeant-at-Arms, Elizabeth Marty	7 00

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 8, at this time, without reference to committee or file.

Resolution read.

The roll was called, and the resolution adopted by the following vote.

AYES—Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Dolwig, Doyle, Erwin, Evans, Field, Fletcher, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McMillan, Miller, Price, Sheridan, Sillman, Stanley, Stephenson, Stewart, Thorp, Waters, Weber, Wollenberg, and Mr. Speaker—64

NOES—None

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, January 14, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate on this day adopted:

Senate Concurrent Resolution No. 1

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

FIRST READING AND REFERENCE OF SENATE BILLS

The following resolution was read:

Senate Concurrent Resolution No. 1—Relative to the Joint Rules of the Legislature.

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up Senate Concurrent Resolution No. 1, at this time, without reference to committee or file.

CONSIDERATION OF SENATE CONCURRENT RESOLUTION NO. 1

Senate Concurrent Resolution No. 1—Relative to the Joint Rules of the Legislature.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crowley, Lester T. Davis, Debs, Dickey, Clayton A. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McMillan, Miller, Price, Robertson, Rosenthal, Sheridan, Silliman, Stanley, Stephenson, Stewart, Thorp, Thurman, Waters, Weber, and Wollenberg—66.

NOES—None.

Resolution ordered transmitted to the Senate.

ANNOUNCEMENT OF COMMITTEE MEETINGS

It was announced that the following committee would hold a meeting:

Upon adjournment—

Rules.

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following bill was introduced, and read the first time:

Assembly Bill No. 15: By Messrs. Huyck and Waters—An act to add Chapter 4, comprising Sections 2125 to 2133, inclusive, to Division 3 of the Streets and Highways Code, relating to city, city and county, and county contracts for street and highway work

Referred to Committee on Municipal and County Government.

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Mr. George D. Collins and the San Francisco Delegation, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Judge Twain Mickelsen of San Francisco.

On request of Mr. Rosenthal, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Mr. and Mrs. Robert C. Hansen of Long Beach.

ADJOURNMENT

At 2.47 p.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11.30 a.m., Wednesday, January 15, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

THIRD LEGISLATIVE DAY
THIRD CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO,
Wednesday, January 15, 1947

The Assembly met at 11.30 a.m.

Hon. Thomas A. Maloney, Speaker pro Tempore of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McMillan, Miller, Nicholson, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—73

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald.

O kind and merciful God, turn Thine ear lovingly to our prayer, and enlighten our hearts by the grace of the Holy Spirit that we learn how to walk according to Thy commandments and love Thee with an eternal love through Christ Our Lord.—
AMEN

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Grant, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, and desired to waive his per diem:

Mr. Huyck, on motion of Mr. Waters.

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following bill was introduced, and read the first time:

Assembly Bill No. 16: By Messrs. McCollister and Gannon—An act to authorize the appointment of eligible persons who served in the military services of the United States as state traffic officers in the California Highway Patrol, declaring the urgency thereof, to take effect immediately.

Referred to Committee on Transportation and Commerce.

MOTION FOR COMMITTEE OF THE WHOLE

Mr. Dickey moved that the Assembly resolve itself into a Committee of the Whole for the purpose of hearing remarks from Mr. Richard H. Chamberlain, Department Commander of the American Legion for the State of California.

Motion carried.

APPOINTMENT OF SELECT COMMITTEE

Speaker pro Tempore Maloney announced the appointment of Messrs. Allen, Grunsky, and Conrad as a Select Committee to escort to the rostrum Mr. Richard H. Chamberlain, Department Commander of the American Legion for the State of California; Mr. Sam Hermann, Department Quartermaster Adjutant, of the Veterans of Foreign Wars; and Mr. F. S. Perley, Editor of the California Veterans.

IN COMMITTEE OF THE WHOLE

Acting Speaker Dickey presiding.

On motion of Mr. Dolwig, the committee did arise, and report back to the Assembly.

IN ASSEMBLY

Speaker pro Tempore Thomas A. Maloney presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

MOTION TO EXPUNGE RECORD AND RESCIND ACTION ON MOTION TO RESOLVE THE ASSEMBLY INTO A COMMITTEE OF THE WHOLE

Mr. Davis moved that the record be expunged and the action rescinded whereby the Assembly resolved itself into a Committee of the Whole and that it be recorded that the Assembly was at recess at the time remarks were heard by Mr. Chamberlain.

Motion carried.

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS (RESUMED)

The following bill was introduced, and read the first time:

Assembly Bill No. 17: By Mr. Dunn—An act to add Section 615 to the Streets and Highways Code, relating to state highway routes.

Referred to Committee on Conservation and Planning.

ANNOUNCEMENT

Mr. Conrad announced that the members of the Los Angeles Delegation will meet at luncheon today, immediately upon adjournment, in Rooms 221 and 223 of the Hotel Senator.

ANNOUNCEMENT

Mr. Dickey announced that, at the request of Speaker Sam L. Collins, he wished to state that the Speaker had completed the appointment of committees but wished each member to observe the list today, and approve individual appointments, prior to the public announcement, on the next legislative day, of said committee appointments.

ANNOUNCEMENT OF COMMITTEE MEETINGS

It was announced that the following committee would hold a meeting:

At 2.30 p.m. today:

Rules.

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Messrs. Beck and Loomis, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Marion McCart of Yuba City, Willard Van Dyke of San Rafael, and Roy Knapp of Lancaster.

On request of Messrs. Maloney and Gaffney and the San Francisco Delegation, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to M. C. "Sam" Hermann of San Francisco.

ADJOURNMENT

At 11.46 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11.30 a.m., Thursday, January 16, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

FOURTH LEGISLATIVE DAY
FOURTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Thursday, January 16, 1947

The Assembly met at 11.30 a.m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—74.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

O Almighty and Everlasting God, Who dost rule over all things in heaven and on earth, send forth Thy Holy Spirit upon those whom Thou hast willed should rule over us in this world. Guide them with Thy constant assistance that they may ever lead us according to Thy good pleasure—AMEN

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Clayton A. Dills, further reading of the Journal of the previous legislative day was dispensed with.

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following bill was introduced, and read the first time:

Assembly Bill No. 18: By Mr. James—An act to add Section 512 to the Streets and Highways Code, relating to state highways.

Referred to Committee on Conservation and Planning.

ANNOUNCEMENT BY SPEAKER

Speaker Collins announced that the standing committees of the Fifty-seventh (General) Session would also be the standing committees for the Fifty-seventh (First Extraordinary) Session.

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of the Assembly, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to McIntyre Faries of Los Angeles.

ADJOURNMENT

At 11.54 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11.30 a.m., Friday, January 17, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

FIFTH LEGISLATIVE DAY
FIFTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Friday, January 17, 1947

The Assembly met at 11.30 a.m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Maloney, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thorp, Thurman, Waters, Wollenberg, and Mr. Speaker—72.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

O Almighty and Everlasting God, who, through Thy Divine Providence dost guide the destinies of nations, graciously hear the prayers of Thy people and grant us peace all the days of our life, through Christ Our Lord.—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Gannon, further reading of the Journal of the previous legislative day was dispensed with.

Speaker Pro Tempore Presiding

At 12.01 p.m., Hon. Thomas A. Maloney, Speaker pro Tempore of the Assembly, presiding.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of legislative business elsewhere:

Mr. Weber, on motion of Mr. Dickey

The following member was granted leave of absence for the day, and desired to waive his per diem:

Mr. Lyons, on motion of Mr Hollibaugh.

ADJOURNMENT

At 12.04 p.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11.45 a.m., Monday, January 20, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

SIXTH LEGISLATIVE DAY
EIGHTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Monday, January 20, 1947

The Assembly met at 11.45 a.m.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—73.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

May the power of the Holy Spirit assist us, O Lord, we beseech Thee. May He graciously cleanse our hearts and defend us from all adversity, so that delivered from the fear of enemies, we may serve Thee with a right intention—AMEN

PLEDGE OF ALLEGIANCE TO THE FLAG

Upon request of the Speaker, the Assembly gave the pledge of allegiance to the Flag.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Knight, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. Blosser, on motion of Mr. O'Day.

COMMUNICATIONS

By Speaker Collins:

The following communication was received, read, and ordered printed in the Journal:

Opinion of Legislative Counsel

OFFICE OF LEGISLATIVE COUNSEL
SACRAMENTO, January 13, 1947

Honorable Sam L. Collins, Speaker of the Assembly
State Capitol, Sacramento, California

Fifty-Seventh (First Extraordinary) Session

MR. SPEAKER: Pursuant to your request we have examined Assembly Bills Nos. 1 to 14, inclusive.

In our opinion each of these bills is within the scope of the proclamation convening this extraordinary session.

Very truly yours,

FRED B. WOOD, Legislative Counsel
By C. H. LANGSTAFF, Chief Deputy

ADJOURNMENT

At 11.50 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 12 noon, Tuesday, January 21, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE

FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

SEVENTH LEGISLATIVE DAY

NINTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Tuesday, January 21, 1947

The Assembly met at 12 noon.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—73

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

Grant us, we beseech Thee, O Almighty God, ever to fix our thoughts on reasonable things and to do what is pleasing to Thee, both in words and in works through the help of Our Lord Jesus Christ, who liveth and reigneth with Thee forever and ever—Amen.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Hinton, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. Blosser, on motion of Mr. Gaffney.

COMMUNICATIONS

By Speaker Collins:

The following opinion was received, read, and ordered printed in the Journal:

Opinion of Legislative Counsel

OFFICE OF LEGISLATIVE COUNSEL
SACRAMENTO, January 15, 1947

Honorable Sam L. Collins, Speaker of the Assembly
State Capitol, Sacramento, California

Fifty-seventh (First Extraordinary) Session

MR. SPEAKER:

Pursuant to your request we have examined Assembly Bills Nos. 16 and 17.

In our opinion these bills are within the scope of the proclamation convening this extraordinary session.

Very truly yours,

FRED B. WOOD, Legislative Counsel
By C. H. LANGSTAFF, Chief Deputy

REQUEST FOR UNANIMOUS CONSENT TO WITHDRAW ASSEMBLY BILL NO. 2 FROM COMMITTEE

Mr. Burns asked for, and was granted, unanimous consent that Assembly Bill No 2 be withdrawn from the Committee on Revenue and Taxation, for purpose of amendment, and re-referred to the Committee on Revenue and Taxation.

CONSIDERATION OF ASSEMBLY BILL NO. 2 (BY UNANIMOUS CONSENT)

Assembly Bill No. 2—An act relating to funds for street and highway purposes and the allocation thereof; providing for the administration of street and highway work by the State, counties, cities and counties, and cities, and the respective functions of each, and in connection therewith to add Section 29 to the general provisions of, and to add Chapters 1, 2, and 5 to Division 3 of, and to add Sections 2102 to 2106, inclusive, to Chapter 3 of Division 3 of, and to amend Sections 194 and 195 of, and to repeal Sections 203, 1621, 1622, 1623, 1624, 1625, 1625.5, 1626, 1626.5, 1627, and 1628 of, the Streets and Highways Code, and to repeal Section 779 of, and to add Section 779 to, the Vehicle Code.

Bill read second time.

Motion to Amend

Mr. Burns moved the adoption of the following amendments:

Amendment No. 1

In line 9 of the title of the printed bill, after "repeal", insert, "Article 2 of Chapter 2 of Division 1 of and"

Amendment No. 2

In line 10 of the title of said bill, after "1628 of," insert: "and to add Article 2 Chapter 2 of Division 1 of".

Amendment No. 3

On page 6 of said bill, between lines 5 and 6, insert

"SEC. 5.5. Article 2, Chapter 2, of Division 1 of the Streets and Highways Code is repealed and a new Article 2 is added to Chapter 2 of Division 1 of said code, to read:

Article 2. The Expressways System of State Highways

250 This article may be cited as the State Expressway Law of 1947.

251 For the purposes of this chapter, an express highway or expressway is a highway or street especially designed for through traffic, and over, from, or to which owners or occupants of abutting land, or other persons, have no right or easement or

only a limited right or easement of access, light, air, or view by reason of the fact that their property abuts upon such expressway, or for any other reason

252. The terms "express highway," "expressway," and "freeway" shall be synonymous and interchangeable and all of the statutes of this State applicable to freeways shall, unless inconsistent with any of the provisions of this chapter, be applicable to the expressway system of highways described or provided for in this article.

253. Nothing in this article shall be deemed to prevent the commission or the department from acquiring or constructing any other state highway as an expressway or freeway or declaring any state highway to be a freeway as authorized under any of the provisions of this code or any other statute.

254. The expressway system of state highways shall consist of those interstate highway routes described in this article, including the system of expressways in metropolitan areas as described in Sections 255 to 268, inclusive

255. There shall be a state-wide network of continuous routes through rural and urban areas following the general existing state highway routes and conforming generally with the present two major north and south United States highway routes and the east-west highway routes as described in the succeeding sections

256. The state-wide network of expressway routes is described in Sections 257 to 265, inclusive.

257. From the Mexican boundary near Tia Juana to San Francisco and from the south shore of Marin County to the Oregon State line near Smith River via San Diego, Santa Ana, Los Angeles, San Francisco, and the coast counties.

258. From the Mexican boundary near Calexico to the Oregon State line near Hilt via the San Joaquin and Sacramento Valleys and the Cities of Los Angeles and Sacramento.

259 From San Francisco to the Nevada State line near Reno via Sacramento

260. From San Diego to the Arizona State line near Yuma.

261. From San Diego to the Nevada State line near Calada via Riverside, San Bernardino, and Cajon Pass.

262. From expressway route described in Section 258 near Indio to the Arizona State line near Blythe

263. From Oakland to expressway route described in Section 258 near Modesto.

264. From San Jose to Oakland.

265. From expressway route described in Section 259 near Vacaville to expressway route described in Section 258 near Dunnigan

266 The system of expressways in metropolitan areas of this State shall include those portions of the routes described in Sections 257 to 265, inclusive, or the connections thereof within the metropolitan areas of this State as hereinafter defined in this article and such additional expressways in said metropolitan areas as are necessary to provide an adequate system of expressways for each metropolitan area

267. The metropolitan areas referred to in this article are those established by the United States Bureau of the Census in the decennial census of 1940.

268. The additional expressways provided for in Section 266 shall be selected by the commission. Before selecting any such route or routes the commission shall conduct a public hearing after notice to the legislative body and to the planning commission of each county and each city within the metropolitan area The commission shall consider any and all recommendations received at such hearing in reference to such route or routes and shall also consider any pertinent master street plan or plans adopted by such planning commission or commissions. So far as the commission finds it to be practicable, it shall establish such route or routes as will be consistent with such master street plan or plans.

269. The highways constituting the metropolitan expressways systems shall be state highways for all purposes under the provisions of this code or any other statute of this State.

270 The commission shall report all action taken by it in respect to the additional systems of metropolitan freeways to the first general session of the Legislature following the effective date of this article.

271. The commission shall allocate annually and the department shall expend or cause to be expended upon the state and metropolitan expressway systems designated as provided in this article such amount from the State Highway Fund as may be available with due regard to traffic needs on the entire State Highway System

272 The commission, in determining the amount to be expended upon the state and metropolitan expressway routes, shall give due consideration to critical deficiencies upon the entire State Highway System and the relative volume of traffic upon all state highways in order that such expressway system may be developed as rapidly as possible but without prejudice to the necessary improvement of other state highways as traffic needs may require.

273. The department shall give preference to projects on the expressway system in designating projects for federal aid, so far as is consistent with federal law and regulations and with traffic needs on the entire State Highway System.

274. The commission and every city and county are hereby authorized to enter into cooperative agreements whereby any revenues available for expenditure on state

or county highways or city streets may be allocated to and expended upon any expressway route either within or outside such city or county.

275. The department shall acquire the necessary rights of way for, and shall design, construct and maintain the system of state and metropolitan expressways as described herein and for such purposes shall exercise all of the powers and duties vested in the department by this code or any other statute relating to the state highways within this State.

276. The department may delegate any expenditure of moneys allocated under Article 3 hereof to any city within which any such highway is located, as in cases of other expenditures on state highways within cities

277. In the expenditure of funds upon expressway routes, the department shall so far as practicable give priority in the expenditure of such funds for the purpose of acquiring the necessary rights of way, including the purchase or condemnation of the rights of ingress or egress of owners of abutting property in order that the limited access right of way for each project shall be acquired and assured prior to the expenditure upon any such project on any such expressway route of funds for the construction or improvement thereof.

278. The commission and the department, in respect to any expressway route provided for in this chapter, shall have authority to provide for the elimination of intersections at grade of an expressway route with any existing state or county highway or city street, either by grade separations or by providing service roads adjacent to the expressway, or by closing off such highways or streets at or near the right of way boundary line of the expressway.

279. The commission in exercising the powers as provided in this section shall not have authority to impose any liability on any city or county to pay any portion of the costs or for damages except by an agreement between the said state agencies and such city or county No state or county highway or city street shall be opened into or connected with any expressway route designated as herein provided without the consent and previous approval expressed by resolution adopted by the commission, and after the completion of any portion of an expressway route no highway or street which is not a part of an expressway facility shall intersect the same at grade.

280. From and after the establishment of any road or highway as an express highway as provided in this chapter, no abutters' rights or easements of access, light, air or view shall arise therein. All existing abutters' rights in any existing highway declared to be an expressway shall be acquired by the department insofar as practical and necessary to accomplish the purposes of this chapter. Where land is conveyed or acquired by condemnation for right of way for an express highway, owners of land abutting thereon shall have only such rights therein as may be specifically reserved in the deed judgment, or other instrument conveying title to the right of way."

Amendment No. 4

On page 3 line 38, of said bill, strike out "66⅔", and insert: "73".

Amendment No. 5

On page 3, line 43, of said bill, strike out "16", and insert "10%"

Amendment No. 6

On page 6 of said bill, strike out lines 17 to 33, inclusive, and insert "ing city and county, in the proportion that the total population of such city bears to the total population of all cities in this State. For the purpose of this section the population of each city is that determined by the last preceding federal census. In the case of a city incorporated subsequent"

Amendment No. 7

On page 6, line 38, of said bill, strike out "It the population so ascertained by the depart-"; and lines 39 and 40

Amendments read, and adopted.

Bill ordered reprinted, and engrossed.

ADJOURNMENT

At 12.09 p.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 12 noon, Wednesday, January 22, 1947

SAM L COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

EIGHTH LEGISLATIVE DAY
TENTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Wednesday, January 22, 1947

The Assembly met at 12 m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—77.

Quorum present.

PRAYER

The following prayer was offered by Monsignor Thomas A. Kirby:

Direct, we beseech Thee, O Lord, all our actions by Thy inspiration and carry them on by Thy gracious assistance that every prayer and work of ours may begin from Thee and by Thee be happily ended, through Christ our Lord—AMEN

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Miller, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day:
Mr. Sherwin, on motion of Mr. Carey.

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following bills were introduced, and read the first time:

Assembly Bill No. 19: By Messrs. Wollenberg, Maloney, and Dickey—An act making an appropriation for surveys, plans, estimates, preliminary engineering and other preliminary expenses for a second

bridge across the San Francisco Bay from the City of San Francisco to the County of Alameda.

Referred to Committee on Conservation and Planning

Assembly Bill No. 20: By Mr. George D. Collins—An act imposing an excise tax for the privilege of severing petroleum, natural gas or natural gasoline from the earth, providing for permits to producers, providing for the levying, assessing, collecting, paying and disposing of such tax, making an appropriation for the administration hereof, prescribing penalties for violations hereof and providing that this act shall take effect immediately.

Referred to Committee on Revenue and Taxation.

Assembly Bill No. 21: By Messrs. Heisinger and Crichton—An act to add Section 514 to the Streets and Highways Code, relating to state highways.

Referred to Committee on Conservation and Planning

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, January 21, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate on this day passed:

Senate Bill No. 18

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

FIRST READING AND REFERENCE OF SENATE BILLS

The following bill was read the first time:

Senate Bill No. 18—An act making an additional appropriation for legislative printing, binding, etc., to take effect immediately.

Resolution to Suspend Constitutional Provision

The following resolution was offered.

By Mr. Dickey:

Resolved, That Senate Bill No. 18 presents a case of urgency, as that term is used in Article IV, Section 15, of the Constitution, and the provision of that section requiring that the bill be read on three several days in each house is hereby dispensed with, and it is ordered that said bill be read the second and third times, and placed upon its passage

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, Price, Robertson, Rosenthal, Stanley, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—70.

NOES—None.

Article IV, Section 15, of the Constitution was declared suspended.

CONSIDERATION OF SENATE BILL NO. 18

Senate Bill No. 18—An act making an additional appropriation for legislative printing, binding, etc., to take effect immediately.

Bill read second time.

Senate Bill No. 18—An act making an additional appropriation for legislative printing, binding, etc., to take effect immediately

Bill read third time.

The roll was called, and the bill passed by the following vote:

AYES—Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Nicholson, Price, Robertson, Rosenthal, Stanley, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—70

NOES—None.

Bill ordered transmitted to the Senate.

REPORTS OF STANDING COMMITTEES

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, January 22, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:

Assembly Bill No. 2

And reports the same correctly engrossed.

WEBER, Chairman

Above reported bill ordered re-referred to Committee on Revenue and Taxation.

MOTION TO APPROVE JOURNALS

Upon motion of Mr. Dickey, the Journals for Monday, January 13, 1947; Tuesday, January 14, 1947; Wednesday, January 15, 1947; Thursday, January 16, 1947; and Friday, January 17, 1947, were approved as corrected by the Minute Clerk.

WITHDRAWAL AND RE-REFERENCE OF ASSEMBLY BILL NO. 14 BY UNANIMOUS CONSENT

Messrs. Burns and Beck asked for, and were granted, unanimous consent that Assembly Bill No. 14 be withdrawn from the Committee on Transportation and Commerce, and re-referred to the Committee on Conservation and Planning.

ANNOUNCEMENT OF COMMITTEE MEETINGS

It was announced that the following committees would hold meetings:

At 2:30 p.m., today:

Crime and Correction.

At 3 p.m., today:

Public Health.

At 3 p.m., today:

Interim Committee on Governmental Efficiency and Economy.

At 8 p.m., tonight:

Education.

At 9 a.m., tomorrow, Thursday, January 23:

Transportation and Commerce.

Subcommittee on Rules (Anyone interested in the Standing Rules invited to attend).

At 10 a.m., Thursday, January 23:
Finance and Insurance.

At 10.30 a.m., Thursday, January 23:
Rules.

ADJOURNMENT

At 12.39 p.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 12 m., Thursday, January 23, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE

FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

NINTH LEGISLATIVE DAY

ELEVENTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO

Thursday, January 23, 1947

The Assembly met at 12 m.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Waters, Weber, Wollenberg, and Mr. Speaker—77

Quorum present.

PRAYER

Upon invitation of the Speaker, the following prayer was offered by the Rev. Richard Dwyer:

O Lord God, King of Heaven and Earth, may it please Thee this day to direct and sanctify, to rule and govern our hearts and minds. Guide our thoughts, words, and deeds according to Thy law and in the doing of Thy commandments, that now and forever we may by Thy help attain salvation and everlasting peace. Through Christ Our Lord—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Carey, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. Knight, on motion of Mr. Stewart.

The following member was granted leave of absence for the day:

Mr. Thurman, on motion of Mr. Grunsky.

RE-REFERENCE OF BILLS

By order of the Speaker, the following bill was withdrawn from the file, and re-referred as follows:

Assembly Bill No. 2 re-referred to Committee on Revenue and Taxation.

REPORTS OF STANDING COMMITTEES

Committee on Transportation and Commerce

ASSEMBLY CHAMBER, SACRAMENTO, January 23, 1947

MR. SPEAKER: Your Committee on Transportation and Commerce, to which was referred:

Assembly Bill No. 11

Has had the same under consideration, and reports the same back with the recommendation: Do pass

BURNS, Chairman

Above reported bill ordered to second reading.

SECOND READING OF ASSEMBLY BILLS (BY UNANIMOUS CONSENT)

Assembly Bill No. 11—An act to amend Section 374 of, and to repeal Sections 162 and 374.5 of, and to add Section 374.5 to, the Vehicle Code, relating to exemptions of liability for fees of publicly owned vehicles.

Bill read second time, and ordered engrossed.

REPORTS OF STANDING COMMITTEES

Committee on Transportation and Commerce

ASSEMBLY CHAMBER, SACRAMENTO, January 23, 1947

MR. SPEAKER: Your Committee on Transportation and Commerce, to which was referred:

Assembly Bill No. 10

Has had the same under consideration, and reports the same back with amendments with the recommendation: Amend, and re-refer to the committee.

BURNS, Chairman

Above reported bill ordered to second reading.

SECOND READING OF ASSEMBLY BILLS (BY UNANIMOUS CONSENT)

Assembly Bill No. 10—An act to amend Sections 276, 277, and 381, and to repeal Section 276.5, of the Vehicle Code, relating to operator's and chauffeur's licenses.

Bill read second time.

Consideration of Committee Amendments

The following amendments were proposed by the Committee on Transportation and Commerce:

Amendment No. 1

On page 1, line 14, of the printed bill, following "the date of issuance", insert "Every chauffeur's license issued on or after September 15, 1943, shall expire four years from the date of issuance shown thereon."

Amendment No. 2

On page 1 of the printed bill, at the end of line 15, strike out "or", and strike out lines 18 to 22, inclusive, and insert "except that chauffeur's licenses issued from September 15, 1943, to September 1945, both dates inclusive, shall expire four years from the date of issuance shown thereon."

Amendment No. 3

On page 2, lines 4 and 5, of the printed bill, strike out "for the issuance of such licenses. Upon", and insert "and upon an application for".

Amendment No. 4

On page 2 of the printed bill, following line 7, insert "For the purposes of this section every application for an operators or chauffeurs license shall be deemed to be an original application unless the applicant can establish that he has held a valid California operators or chauffeurs license within a period of one year prior to the date of application. The payment of the fee for an operators or chauffeurs application shall entitle the applicant to three examinations within a period of six months."

Amendments read, and adopted.

Bill ordered reprinted, and engrossed.

ANNOUNCEMENT OF COMMITTEE MEETINGS

It was announced that the following committees would hold meetings:

At 8 o'clock tonight—

Revenue and Taxation.

At 9.30 a.m., tomorrow, Friday, January 24—

Rules.

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Mr. Miller, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Joseph Baihley, Edward A. Hoffman, and Samuel S. Ripley of Richmond.

On request of Mr. Loomis, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to A. J. Hamilton of Chico.

On request of Mr. Boyd, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Willard Hillery of Cathedral City, Stanley Bates of Riverside, and Harry Harper, of Palm Springs.

ADJOURNMENT

At 12.10 p.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11 a.m., Friday, January 24, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

TENTH LEGISLATIVE DAY
TWELFTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Friday, January 24, 1947

The Assembly met at 11 a.m.

Hon. Thomas A. Maloney, Speaker pro Tempore of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, and Wollenberg—74.

Quorum present.

PRAYER

The following prayer was offered by Monsignor Thomas A. Kirby:

O God, from whom come all holy desires, all right resolves and all good deeds, do Thou bestow upon Thy servants that peace which the world cannot give; take from us our fear of enemies, and grant that, protected by Thee, our time may be a time of peacefulness—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Thorp, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. Knight, on motion of Mr. Stewart.

The following member was granted leave of absence for the day, because of legislative business elsewhere:

Mr. Lowrey, on motion of Mr. Lester T. Davis.

REPORTS OF STANDING COMMITTEES

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, January 23, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:

Assembly Bill No. 11

And reports the same correctly engrossed.

WEBER, Chairman

Above reported bill ordered to third reading.

ADJOURNMENT

At 11.15 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11.10 a.m., Monday, January 27, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

ELEVENTH LEGISLATIVE DAY
FIFTEENTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Monday, January 27, 1947

The Assembly met at 11.10 a.m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—78.

Quorum present.

PRAYER

Upon invitation of the Speaker, the following prayer was offered by the Rev. Monsignor Thomas A. Kirby:

Our Father, who art in heaven, hallowed be Thy name, Thy Kingdom come, Thy will be done, on earth, as it is in heaven. Give us this day our daily bread and forgive us our trespasses as we forgive those who trespass against us. Lead us not into temptation but deliver us from evil—AMEN.

PLEDGE OF ALLEGIANCE TO THE FLAG

Upon request of the Speaker, the Assembly gave the pledge of allegiance to the Flag.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. James, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of legislative business elsewhere:

Mr. Stewart, on motion of Mr. Knight.

REPORTS OF STANDING COMMITTEES

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, January 24, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:

Assembly Bill No. 10

And reports the same correctly engrossed.

WEBER, *Chairman*

Above reported bill ordered re-referred to the Committee on Transportation and Commerce.

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following bill was introduced, and read the first time:

Assembly Bill No. 22: By Messrs. Anderson and Clayton A. Dills—An act to add Section 551 to the Streets and Highways Code, relating to state highway routes.

Referred to Committee on Conservation and Planning.

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Messrs. James and Grant, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Mrs. Harold Keene and Mrs. W. E. James of Los Angeles.

ADJOURNMENT

At 11.20 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 12 m., Tuesday, January 28, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

TWELFTH LEGISLATIVE DAY
SIXTEENTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Tuesday, January 28, 1947

The Assembly met at 12 m.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Nicholson, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—78.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

Blessed art Thou, O Lord, teach me Thy law and with my lips I will pronounce all the revelations of Thy mouth. Glory be to the Father, and to the Son, and to the Holy Ghost—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Stanley, further reading of the Journal of the previous legislative day was dispensed with:

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of legislative business elsewhere:

Mr. Stewart, on motion of Mr. Knight.

COMMUNICATIONS

By Speaker Collins:

The following opinions of the Legislative Counsel were received, read, and ordered printed in the Journal:

Opinions of the Legislative Counsel

STATE OF CALIFORNIA, OFFICE OF LEGISLATIVE COUNSEL
SACRAMENTO, January 15, 1947

Honorable Sam L. Collins, Speaker of the Assembly
State Capitol, Sacramento, California

Fifty-Seventh (First Extraordinary) Session

MR. SPEAKER: Pursuant to your request we have examined Assembly Bill No. 15.

In our opinion this bill is within the scope of the proclamation convening this extraordinary session.

Very truly yours,

FRED B. WOOD, Legislative Counsel
By C. H. LANGSTAFF, Chief Deputy

STATE OF CALIFORNIA, OFFICE OF LEGISLATIVE COUNSEL
SACRAMENTO, January 16, 1947

Honorable Sam L. Collins, Speaker of the Assembly
State Capitol, Sacramento, California

Fifty-Seventh (First Extraordinary) Session

MR. SPEAKER: Pursuant to your request we have examined Assembly Bill No. 18

In our opinion this bill is within the scope of the proclamation convening this extraordinary session.

Very truly yours,

FRED B. WOOD, Legislative Counsel
By C. H. LANGSTAFF, Chief Deputy

STATE OF CALIFORNIA, OFFICE OF LEGISLATIVE COUNSEL
SACRAMENTO, January 27, 1947

Honorable Sam L. Collins, Speaker of the Assembly
State Capitol, Sacramento, California

Fifty-Seventh (First Extraordinary) Session

MR. SPEAKER: Pursuant to your request we have examined Assembly Bill No. 22

In our opinion this bill is within the scope of the proclamation convening this extraordinary session

Very truly yours,

FRED B. WOOD, Legislative Counsel
By C. H. LANGSTAFF, Chief Deputy

STATE OF CALIFORNIA, OFFICE OF LEGISLATIVE COUNSEL
SACRAMENTO, January 22, 1947

Honorable Sam L. Collins, Speaker of the Assembly
State Capitol, Sacramento, California

Fifty-Seventh (First Extraordinary) Session

MR. SPEAKER: Pursuant to your request we have examined Assembly Bills Nos. 19, 20, and 21.

In our opinion each of these bills is within the scope of the proclamation convening this extraordinary session.

Very truly yours,

FRED B. WOOD, Legislative Counsel
By C. H. LANGSTAFF, Chief Deputy

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following bill was introduced, and read the first time:

Assembly Bill No. 23: By Mr. McMillan—An act to add Section 133 to the Streets and Highways Code, relating to powers and duties of the California Highway Commission, in respect to construction or repair of highways.

Referred to Committee on Transportation and Commerce.

MOTION TO APPROVE JOURNALS

On motion of Mr. Dickey, the Assembly Journals for Monday, January 20, 1947; Tuesday, January 21, 1947; Wednesday, January 22, 1947; Thursday, January 23, 1947; and Friday, January 24, 1947, were approved as corrected by the Minute Clerk.

ADJOURNMENT

At 12.10 p m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 12 m., Wednesday, January 29, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

THIRTEENTH LEGISLATIVE DAY
SEVENTEENTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Wednesday, January 29, 1947

The Assembly met at 12 m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—78.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

Be Thou gracious to our prayers, O Lord, we implore Thee; and having released us from the heavy chains of sin, protect us from all adversity, through Christ Our Lord—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Grunsky, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of legislative business elsewhere:

Mr. Cramer, on motion of Mr. Stanley.

RECESS

At 12.10 p.m., on motion of Mr. Dickey, the Assembly recessed until 3 p.m.

REASSEMBLED

At 3 p.m., the Assembly reconvened.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

COMMUNICATIONS

By Speaker Collins:

The following opinion of the Legislative Counsel was received, read, and ordered printed in the Journal:

Opinion of the Legislative Counsel

STATE OF CALIFORNIA, OFFICE OF LEGISLATIVE COUNSEL
SACRAMENTO, January 28, 1947

Honorable Sam L. Collins
Speaker of the Assembly, Assembly Chamber

Fifty-seventh (First Extraordinary) Session

MR. SPEAKER: Pursuant to your request we have examined Assembly Bill No. 23. In our opinion this bill is within the scope of the proclamation convening this extraordinary session.

Very truly yours,

FRED B. WOOD, Legislative Counsel
By C. H. LANGSTAFF, Chief Deputy

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following bills were introduced, and read the first time:

Assembly Bill No. 24: By Mr. Weber—An act to add Section 1239.5 to the Code of Civil Procedure, relating to eminent domain and the use of property acquired pursuant to eminent domain proceedings by the state and public agencies.

Referred to Committee on Judiciary.

Assembly Concurrent Resolution No. 1: By Mr. Dickey—Relative to the recess of the Fifty-seventh (First Extraordinary) Session of the Legislature.

Referred to Committee on Rules.

ADJOURNMENT

At 3.28 p.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11 a.m., Thursday, January 30, 1947.

SAM L. COLLINS, Speaker
GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE

FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

FOURTEENTH LEGISLATIVE DAY

EIGHTEENTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO

Thursday, January 30, 1947

The Assembly met at 12 m.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, Miller, Nicholson, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—78.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

Teach me, O God, to walk perfectly in Thy paths, that my footsteps may not be moved; incline Thine ear unto my prayer, and show forth Thy wonderful mercies, Thou who savest them who call on Thee, O Lord—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Johnson, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following members were granted leaves of absence for the day:

Mr. McMillan, on motion of Mr. Debs.

WITHDRAWAL AND RE-REFERENCE OF ASSEMBLY BILL NO. 23

Mr. Burns moved that Assembly Bill No. 23 be withdrawn from the Committee on Transportation and Commerce, and re-referred to the Committee on Conservation and Planning.

Motion carried.

REQUEST FOR UNANIMOUS CONSENT

Mr. Field asked for, and was granted, unanimous consent to take up Assembly Concurrent Resolution No. 1, at this time.

REPORTS OF STANDING COMMITTEES

Committee on Rules

ASSEMBLY CHAMBER, SACRAMENTO, January 30, 1947

MR. SPEAKER: Your Committee on Rules, to which was referred:

Assembly Concurrent Resolution No. 1

Has had the same under consideration, and reports the same back with amendments with the recommendation: Amend, and be adopted, as amended.

DICKEY, Chairman

CONSIDERATION OF ASSEMBLY CONCURRENT RESOLUTION NO. 1 (BY UNANIMOUS CONSENT)

Assembly Concurrent Resolution No. 1—Relative to the recess of the Fifty-seventh (First Extraordinary) Session of the Legislature.

Resolution read.

Consideration of Committee Amendments

The following amendment was proposed by the Committee on Rules.

Amendment No. 1

On page 2, line 17, of the printed measure, after "March", strike out "10", and insert "3".

Amendment read, and adopted.

RECESS

At 12.20 p.m., on motion of Mr. Dickey, the Assembly recessed until 3 p.m.

REASSEMBLED

At 3 p.m., the Assembly reconvened.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

FURTHER CONSIDERATION OF ASSEMBLY CONCURRENT RESOLUTION NO. 1

Assembly Concurrent Resolution No. 1—Relative to the recess of the Fifty-seventh (First Extraordinary) Session of the Legislature.

Resolution read.

Motion to Amend

Mr. M. Philip Davis moved the adoption of the following amendment:

Amendment No. 1

Strike out all whereas clauses on page 1, lines 1 to 25, and on page 2, lines 1 to 11, inclusive.

Amendment read, and refused adoption.

The question being on the adoption of Assembly Concurrent Resolution No. 1.

The roll was called, and the resolution adopted by the following vote:

AYES—Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Butters, Caldecott, Carey, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Lester T. Davis, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Erwin, Field, Fletcher, Gannon, Geddes, Grant, Grunsky, Hawkins, Hinckley, Hinton,

Hollibaugh, James, Johnson, Kilpatrick, Knight, Lowrey, Luckel, Lyons, Niehouse, O'Day, Price, Rosenthal, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, and Weber—56.

NOES—Clarke, Evans, Gaffney, Heisinger, Huyck, Loomis, Maloney, McCollister, Miller, Sheridan, Waters, and Wollenberg—12.

Resolution ordered reprinted.

COMMUNICATIONS

By Speaker Collins:

A communication from the Office of the State Board of Equalization, signed by William G. Bonelli, relative to the lease of the Black Building, in Los Angeles, was received, and ordered printed in the Journal.

Motion to Refer Communication to Committee on Rules

Mr. Field moved that the above mentioned communication be ordered referred to the Committee on Rules.

Mr. Sherwin seconded the motion.

Motion carried.

Communication ordered referred to the Committee on Rules.

By Speaker Collins:

Communications from Lewis C. Martyn, of Los Angeles; Gay W. Coyle, of Oakland; C. W. Allen, of San Fernando; and J. C. Wallace, of Santa Rosa, relative to protesting any legislation raising gasoline and automobile taxes, were received, and ordered filed with the Secretary of State.

REQUEST FOR UNANIMOUS CONSENT THAT ASSEMBLY BILL NO. 13 BE WITHDRAWN FROM THE COMMITTEE ON CONSERVATION AND PLANNING AND PLACED UPON THE FILE

Mr. Weber asked for, and was granted, unanimous consent that Assembly Bill No. 13 be withdrawn from the Committee on Conservation and Planning, for purpose of amendment, at this time, and re-referred to the Committee on Conservation and Planning.

SECOND READING OF ASSEMBLY BILLS (BY UNANIMOUS CONSENT)

Assembly Bill No. 13—An act to add Article 4 to Chapter 3 of Division 1 of the Streets and Highways Code, relating to the use and occupation of real property lying within the lines of mapped state highways, restricting the use of property within such lines by the persons owning or possessing the same in the interest of such persons and the public, requiring building permits for the erection of buildings or structures in unincorporated areas, and prescribing the powers and duties of certain state and local officers in connection with the carrying out of the provisions of said article.

Bill read second time.

Motion to Amend

Mr. Weber moved the adoption of the following amendments:

Amendment No. 1

In line 6 of the title of the printed bill, strike out "requiring building permits"; strike out all of line 7; and in line 8, strike out "rated areas,".

Amendment No. 2

On page 2, line 16, of said bill, strike out "in any incorporated area", and insert ", other than a temporary structure costing less than five hundred dollars ($500),".

Amendment No. 3

On page 2, line 22, of said bill, after "highway", insert "he shall grant the permit if the cost of the proposed building or structure is five hundred dollars ($500) or less. Otherwise".

Amendments read, and adopted.

Bill ordered reprinted, and engrossed.

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Mr. Miller, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Mr. and Mrs. Warren Harold Orinda.

On request of Mr. Thomas, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Miss Frances Warnock of San Pedro.

On request of Messrs Stewart, Grant, and Fletcher, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Morris Jones, Brennan S Thomas, and E. L Bettannier of Pasadena.

On request of Mr. Dolwig, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Leo Ferko of South San Francisco.

ADJOURNMENT

At 3.10 p.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11 a.m , Friday, January 31, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE

FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

FIFTEENTH LEGISLATIVE DAY

NINETEENTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO

Friday, January 31, 1947

The Assembly met at 11 a.m.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker —79.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

We beg Thee, O Lord, to kindly hear the prayers of Thy people, and for the glory of Thy Name mercifully to deliver us from the just afflictions caused by our sins, through Christ our Lord—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Cooke, further reading of the Journal of the previous legislative day was dispensed with.

REPORTS OF STANDING COMMITTEES

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, January 31, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:

Assembly Concurrent Resolution No. 1

And reports the same correctly engrossed.

WEBER, Chairman

Resolution ordered transmitted to the Senate.

ADJOURNMENT

At 11.08 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11 a.m., Monday, February 3, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE

FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

SIXTEENTH LEGISLATIVE DAY

TWENTY-SECOND CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO

Monday, February 3, 1947

The Assembly met at 11 a.m.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Hahn, Hawkins, Heisinger, Hinckley, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—73.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

Let all the earth sing joyfully to God; let us all serve the Lord with gladness. Come before His presence with exceeding great joy. Know you that the Lord is God. He made us and not we ourselves; but we are His people and the sheep of His pasture. Glory be to God—AMEN.

PLEDGE OF ALLEGIANCE TO THE FLAG

Upon the request of the Speaker, the Assembly gave the pledge of allegiance to the Flag.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Caldecott, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following members were granted leave of absence for the day:

Mr. Grunsky, on motion of Mr. Kirkwood.

Mr. Hinton, on motion of Mr. Stewart.

Mr. Lyons, on motion of Mr. Hollibaugh.

REPORTS OF STANDING COMMITTEES

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, January 31, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:

Assembly Bill No. 13

And reports the same correctly engrossed.

WEBER, Chairman

Above reported bill ordered re-referred to the Committee on Conservation and Planning.

COMMUNICATIONS

By Mr. Clayton A. Dills:

The following communication was received, read, and ordered printed in the Journal:

RESOLUTION

Adopted at regular meeting of the Gardena Valley Chamber of Commerce held in Gardena, January 27, 1947

Resolution Urging that a Portion of Imperial Highway Be Placed in State Highway System

WHEREAS, Imperial Highway is a projected through highway from El Segundo, on the Pacific Ocean, to El Centro, in the Imperial Valley, a distance of approximately 220 miles, and,

WHEREAS, Approximately one-half of this distance is composed of routes in the State Highway System and,

WHEREAS, During the past 17 years The Imperial Highway Association has cooperated with and coordinated the efforts of the five counties and the several municipalities through which Imperial Highway runs, to the result that several million dollars have been expended in the improvement and realignment of said Imperial Highway, and

WHEREAS, Such improvement and realignment has made it possible to now travel from El Segundo, on the Pacific Ocean, to Yorba Linda, in Orange County, a distance of 37 miles without a right angle turn, and

WHEREAS, The improvement and realignment of that section of Imperial Highway from Yorba Linda to the Santa Ana Canyon Road; State Highway Route No 176; thereby eliminating eight right-angle turns and a very dangerous surface railroad crossing, will make it possible to travel from El Segundo, on the Pacific Ocean, to Corona, Riverside County, a distance of 57 miles without a right-angle turn, and with rights of way established by ordinance, from 100 to 120 feet in width, and

WHEREAS, The traveling public, over this newly improved and realigned highway will be able to save in transportation costs, a sum equal to or greater than the cost of the improvement in a period of eight years or less, and

WHEREAS, The State Highway Commission has, for a period of years and in spite of numerous and continued requests, failed to improve the section of Imperial Highway referred to, and has consistently failed to recognize Imperial Highway as through, East and West highway; therefore, be it

Resolved, That we request our Assemblymen and State Senators in the State Legislature to present and pass legislation at this session of the Legislature placing that section of Imperial Highway extending from El Segundo, on the Pacific Ocean, to the westerly end of State Route No. 176, one-half mile east of the Los Angeles Orange County line, now a county road, in the State Highway System, and be it further

Resolved, That we request the State Highway Commission to improve, without delay, that portion of State Route No. 176, lying between Yorba Linda and the Santa Ana Canyon Route No. 43, in order that the full purpose of a through East-West highway may become an accomplished fact.

GARDENA VALLEY CHAMBER OF COMMERCE
PAT MACDONNEIL, Secretary-Manager

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following bills were introduced, and read the first time:

Assembly Bill No. 25: By Mr. Field—An act to amend Section 372 of the Vehicle Code, relating to weight fees for commercial vehicles.

Referred to Committee on Transportation and Commerce.

Assembly Bill No. 26: By Mr. Ralph C. Dills—An act to add Sections 80 and 81 to the Streets and Highways Code, relating to the California Highway Commission.

Referred to Committee on Conservation and Planning.

Assembly Bill No. 27: By Mr. Geddes—An act to amend Section 511.9 of the Vehicle Code, relating to speed of vehicles.

Referred to Committee on Transportation and Commerce.

Assembly Bill No. 28: By Mr. Geddes—An act to amend Section 90.1 of, and to add Sections 89.2 and 90.2 to, the Vehicle Code, relating to speed of vehicles.

Referred to Committee on Transportation and Commerce.

Assembly Bill No. 29: By Mr. Geddes—An act to amend Section 511 of the Vehicle Code, relating to speed of vehicles.

Referred to Committee on Transportation and Commerce.

Assembly Bill No. 30: By Messrs. Kilpatrick, Evans, Debs, and Allen—An act to add Section 566 to the Streets and Highways Code, relating to state highways.

Referred to Committee on Conservation and Planning.

REQUEST FOR UNANIMOUS CONSENT TO SPEAK UPON THE CONDITION OF THE FILE

Mr. Robertson asked for, and was granted, unanimous consent that he be permitted to speak upon the condition of the file.

ADJOURNMENT

At 11.10 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11 a.m., Tuesday, February 4, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE

FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

SEVENTEENTH LEGISLATIVE DAY

TWENTY-THIRD CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO

Tuesday, February 4, 1947

The Assembly met at 11 a.m.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Hahn, Hawkins, Heisinger, Hinckley, Hollibaugh, Huyck, James, Johnson Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—72.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

Grant us, we beseech Thee, O Almighty God, ever to fix our thoughts on reasonable things and to do what is pleasing to Thee both in words and in works, through Christ Our Lord—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Grant, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. Knight, on motion of Mr. Stewart.

Mr. Grunsky, on motion of Mr. Kirkwood.

Mr. Lyons, on motion of Mr. Hollibaugh.

Mr. Hinton, on motion of Mr. Stewart.

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following bills were introduced, and read the first time:

Assembly Bill No. 31: By Mr. Thomas—An act to add Section 9654 to the Revenue and Taxation Code, relating to credits against the motor transportation license tax.

Referred to Committee on Revenue and Taxation.

Assembly Bill No. 32: By Mr. Thomas—An act to add Sections 147 and 148 to the Streets and Highways Code, relating to state highways.

Referred to Committee on Conservation and Planning.

Assembly Bill No. 33: By Mr. James—An act to add Sections 147, 148, 149, and 150 to the Streets and Highways Code, relating to state highways.

Referred to Committee on Conservation and Planning.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, February 3, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate on this day passed:

Senate Bill No. 22

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

FIRST READING AND REFERENCE OF SENATE BILLS

The following bill was read the first time:

Senate Bill No. 22—An act making an appropriation to the Department of Motor Vehicles for the improvement and mechanization of the registration and related financial and statistical procedures of the Department of Motor Vehicles, to take effect immediately.

Referred to Committee on Transportation and Commerce.

MOTION TO APPROVE JOURNALS

On motion of Mr. Dickey, the Assembly Journals for Monday, January 27, 1947; Tuesday, January 28, 1947; Wednesday, January 29, 1947; Thursday, January 30, 1947; and Friday, January 31, 1947, were approved as corrected by the Minute Clerk.

ADJOURNMENT

At 11.12 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11 a.m., Wednesday, February 5, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE

FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

EIGHTEENTH LEGISLATIVE DAY

TWENTY-FOURTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO

Wednesday, February 5, 1947

The Assembly met at 11 a.m.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Hahn, Hawkins, Heisinger, Hinckley, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—72.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

We beg of Thee, O Lord, to look favorably upon these prayers, and to accept them, that they may be profitable both to our devotion and to our salvation through Christ Our Lord—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Loomis, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. Knight, on motion of Mr. Stewart.

The following members were granted leaves of absence for the day:

Mr. Grunsky, on motion of Mr. Kirkwood.
Mr. Hinton, on motion of Mr. Stewart.
Mr. Lyons, on motion of Mr. Hollibaugh.
Mr. Field, on motion of Mr. Erwin.

REQUEST FOR UNANIMOUS CONSENT THAT ASSEMBLY BILL NO. 19 BE WITHDRAWN FROM THE COMMITTEE ON CONSERVATION AND PLANNING AND BE PLACED UPON THE FILE

Mr. Wollenberg asked for, and was granted, unanimous consent that Assembly Bill No. 19 be withdrawn from the Committee on Conservation and Planning, and be placed upon the file for purpose of amendment, and be re-referred to the Committee on Conservation and Planning.

CONSIDERATION OF ASSEMBLY BILL NO. 19 (BY UNANIMOUS CONSENT)

Assembly Bill No. 19—An act making an appropriation for surveys, plans, estimates, preliminary engineering and other preliminary expenses for a second bridge across the San Francisco Bay from the City of San Francisco to the County of Alameda.

Bill read second time.

Motion to Amend

Mr. Wollenberg moved the adoption of the following amendments:

Amendment No. 1

On page 1, line 1, of the printed bill, strike out "_____ dollars ($_____)", and insert "nine hundred fifty thousand dollars ($950,000)".

Amendment No. 2

On page 1, line 6, of said bill, strike out "bridge", and insert "toll bridge or other toll highway crossing".

Amendment No. 3

On page 1, line 10, of said bill, strike out "4", and insert "1½".

Amendment No. 4

On page 1, line 14, of said bill, after "1929," and before "creating", insert "as amended,".

Amendments read, and adopted.

Bill ordered reprinted, and engrossed.

RESOLUTIONS

The following resolutions were offered:

By Mr. Dickey:

House Resolution No. 9

Resolved, That Arthur A. Ohnimus, Chief Clerk of the Assembly, is hereby directed to take charge of arranging and preparing the bills, books, and all other records of the Assembly, and filing the same with the Secretary of State, as provided by law, subsequent to recess of this Fifty-seventh (First Extraordinary) Session of the Legislature, and all indexing, correcting, comparing and proofreading and otherwise preparing the Journal of the Assembly of the Fifty-seventh (First Extraordinary) Session of the Legislature, and making the information therein contained readily available for the use

of the Members of the Legislature, state officers and the general public, as a permanent record of the business transacted during the Fifty-seventh (First Extraordinary) Session, and of compiling, preparing and having printed after adjournment or recess, a Final Calendar of the legislative business of the Fifty-seventh (First Extraordinary) Session, said Calendar to comprise a history of all bills introduced and their authors, the numbers that shall have become law, those that shall have been read a second time, and any and all such information as will provide a complete history of the session's business and a guide for the information of subsequent sessions of the Legislature.

When said Final Calendar is prepared, the said Arthur A. Ohnimus, Chief Clerk, is directed to forward one copy of the Final History to each public library in the State, which may apply for same, and one copy to each Member of the Assembly, and one copy of the complete unbound chapters to each Member of the Assembly; and be it further

Resolved, That the Chief Clerk is hereby authorized to employ such help as may be necessary to complete the aforesaid work of the Assembly and the same shall be compensated at the same rate paid per diem as allowed them during the time the Legislature is in session; provided, however, that no compensation shall be allowed except for services actually performed and the Chief Clerk is hereby directed to keep an accurate attendance record of all attaches so employed and certified by him to the State Controller as being entitled to compensation; and be it further

Resolved, That the State Controller is hereby authorized and directed to pay weekly compensation in such amounts and to such persons as may be certified to him by the Chief Clerk as being entitled to the same, and such sums shall be payable from the unexpended balance of the fund provided for the pay of officers and attaches of the Assembly.

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 9, at this time, without reference to committee or file.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Anderson, Berry, Blosser, Boyd, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Ralph C. Dills, Dolwig, Doyle, Dunn, Evans, Fletcher, Gaffney, Gannon, Geddes, Grant, Hahn, Hawkins, Heisinger, Hollibaugh, Huyck, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Robertson, Sheridan, Sherwin, Stanley, Stephenson, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—62

NOES—None.

By Mr. Dickey:

House Resolution No. 10

Resolved, That Arthur A. Ohnimus, Chief Clerk, be and he is hereby authorized and empowered to receipt for any warrants that may be due members, officers, or other attaches of the Assembly, after the close of the session, or that may be drawn upon the Contingent Fund of the Assembly

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 10, at this time, without reference to committee or file.

Resolution read, and adopted.

By Mr. Dickey:

House Resolution No. 11

Resolved, That each and every officer, attache and employee of the Assembly for the Fifty-seventh (First Extraordinary) Session, is hereby stricken from the pay roll upon completion of work on Wednesday, February 5, 1947.

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No 11, at this time, without reference to committee or file.

Resolution read, and adopted.

By Mr. Ralph C. Dills:

House Resolution No. 12

Relative to purchasing copies of the Vehicle Code for Members of the Assembly

Resolved by the Assembly of the State of California, That the Chief Clerk of the Assembly be and he is hereby authorized and directed to purchase 81 copies of the latest edition of the Annotated Vehicle Code of California, edited by William Prescott Ogilvie and published by the Advance Publishing Company of Berkeley, California;

Resolved further. That the Chief Clerk of the Assembly be and he is hereby directed to deliver one copy of the code to each Member of the Assembly, and one copy to the Chief Clerk of the Assembly; and be it further

Resolved. That the Controller be and he is hereby authorized and directed to drew his warrant in favor of Advance Publishing Company in the sum not to exceed one thousand four hundred dollars ($1,400), in payment for 81 copies of the latest edition of the Annotated Vehicle Code of California, edited by William Prescott Ogilvie

Request for Unanimous Consent

Mr. Ralph C. Dills asked for, and was granted, unanimous consent to take up House Resolution No. 12, at this time, without reference to committee or file.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Anderson, Berry, Blosser, Boyd, Brown, Burke, Burns, Butters, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Ralph C. Dills, Dolwig, Dunn, Evans, Fletcher, Gaffney, Gannon, Geddes, Grant, Hahn, Hawkins, Heisinger, Hollibaugh, Huyck, James Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Sheridan, Stanley, Thomas, Thompson, Thorp, Thurman, Waters, Wollenberg, and Mr. Speaker—58

NOES—None

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following bill was introduced, and read the first time:

Assembly Bill No. 34: By Messrs. Dunn, Brady, Brown, Burke, Clarke, George D. Collins, Cooke, Debs, Clayton A. Dills, Ralph C. Dills, Doyle, Erwin, Evans, Gaffney, Huyck, Kilpatrick, McMillan, Miller, Mrs. Niehouse, Messrs. Robertson, Thomas, Thompson, Waters, and Weber—An act to repeal Part 4, comprising Sections 9601 to 10501, inclusive, of Division 2 of the Revenue and Taxation Code, imposing a tax upon persons engaged in the transportation of persons or property for hire or compensation by motor vehicle.

Referred to Committee on Revenue and Taxation.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, February 4, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate on this day passed:

Senate Bill No. 1
Senate Bill No. 21

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

FIRST READING AND REFERENCE OF SENATE BILLS

The following bills were read the first time:

Senate Bill No. 1—An act to amend Sections 160, 164, 164.5, and 675.5 of the Vehicle Code, relating to the registration of motor vehicles.

Referred to Committee on Transportation and Commerce.

Senate Bill No. 21—An act to add Sections 10753.6, 10753.7, and 10753.8, to the Revenue and Taxation Code, relating to the Motor Vehicle License Fee

Referred to Committee on Revenue and Taxation.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, February 4, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate on this day passed

Senate Bill No. 2
Senate Bill No. 3

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

FIRST READING AND REFERENCE OF SENATE BILLS (RESUMED)

The following bills were read the first time:

Senate Bill No. 2—An act to add Section 10759 to the Revenue and Taxation Code, and Section 373.5 to the Vehicle Code, relating to vehicle registration and license fees.

Referred to Committee on Revenue and Taxation

Senate Bill No. 3—An act to amend Sections 102, 108, and 128 of, to add Division 2A, comprising Sections 139 to 139.61, inclusive, to, and to repeal Sections 111, 113, 116, 117, 119, 120, 121, 122, 123, 124, 124.2, 125, 126, 135, 135.5, 135.8, 486, and 489 of, the Vehicle Code, providing for the reorganization of the California Highway Patrol, abolishing the Division of Enforcement of the Department of Motor Vehicles, establishing a Department of Highway Patrol and Safety and prescribing its powers, duties, purposes, and functions, providing for the transfer of records and property; and to make available money for the support of said department.

Referred to Committee on Governmental Efficiency and Economy.

REPORTS OF STANDING COMMITTEES

Committee on Transportation and Commerce

ASSEMBLY CHAMBER, SACRAMENTO, February 4, 1947

MR. SPEAKER: Your Committee on Transportation and Commerce, to which was referred:

Senate Bill No. 22

Has had the same under consideration, and reports the same back with the recommendation: Do pass.

BURNS, Chairman

REQUEST FOR UNANIMOUS CONSENT

Mr. Burns asked for, and was granted, unanimous consent to take up Senate Bill No. 22, at this time, without reference to file.

CONSIDERATION OF SENATE BILL NO. 22

Senate Bill No. 22—An act making an appropriation to the Department of Motor Vehicles for the improvement and mechanization of the registration and related financial and statistical procedures of the Department of Motor Vehicles, to take effect immediately.

Bill read second time.

Resolution to Suspend Constitutional Provision

The following resolution was offered:

By Mr. Burns:

Resolved, That Senate Bill No. 22 presents a case of urgency, as that term is used in Article IV, Section 15, of the Constitution, and the provision of that section requiring that the bill be read on three several days in each house is hereby dispensed with, and it is ordered that said bill be read the third time, and placed upon its passage.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Anderson, Berry, Blosser, Boyd, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, M. Philip Davis, Debs, Dickey, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Fletcher, Gaffney, Gannon, Geddes, Grant, Hahn, Hawkins, Heisinger, Hinckley, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Robertson, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—64.

NOES—None.

Article IV, Section 15, of the Constitution was declared suspended.

Senate Bill No. 22—An act making an appropriation to the Department of Motor Vehicles for the improvement and mechanization of the registration and related financial and statistical procedures of the Department of Motor Vehicles, to take effect immediately.

Bill read third time.

The roll was called, and the bill passed by the following vote:

AYES—Anderson, Berry, Blosser, Boyd, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, M. Philip Davis, Debs, Dickey, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Fletcher, Gaffney, Gannon, Geddes, Grant, Hahn, Hawkins, Heisinger, Hinckley, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Robertson, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—64.

NOES—None.

Bill ordered transmitted to the Senate.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, February 4, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate amended, and on this day adopted, as amended:

Assembly Concurrent Resolution No. 1

And respectfully requests your honorable body to concur in said amendments.

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

CONSIDERATION OF SENATE AMENDMENTS

Assembly Concurrent Resolution No. 1—Relative to the recess of the Fifty-seventh (First Extraordinary) Session of the Legislature.

The question being: Shall the Assembly concur in the following Senate amendment to Assembly Concurrent Resolution No. 1?

Amendment No. 1

On page 2, line 16, of the printed resolution, strike out "January 31, 1947", and insert "February 5, 1947".

The roll was called, and the Assembly concurred in Senate amendment to Assembly Concurrent Resolution No. 1 by the following vote:

AYES—Allen, Anderson, Berry, Blosser, Boyd, Brown, Burke, Burns, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, M. Philip Davis, Dickey, Dolwig, Doyle, Fletcher, Gaffney, Gannon, Geddes, Grant, Hahn, Hawkins, Hinckley, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Maloney, McMillan, Niehouse, O'Day, Robertson, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—56.

NOES—Crowley, Debs, Ralph C. Dills, Dunn, and Evans—5.

Assembly Concurrent Resolution No. 1 ordered enrolled.

ANNOUNCEMENT OF COMMITTEE MEETINGS

It was announced that the following committees would hold meetings:

Today, upon noon recess—

Revenue and Taxation.

Conservation and Planning.

RECESS

At 11 a.m., on motion of Mr. Dickey, the Assembly recessed until 2.45 p.m.

REASSEMBLED

At 2.45 p.m., the Assembly reconvened.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

MEMBERS EXCUSED TO HOLD MEETING

At 2.50 p.m., Mr. Burns asked for, and was granted, unanimous consent that the members of the Committees on Revenue and Taxation, and Conservation and Planning, be excused, at this time, for the purpose of holding a joint meeting in the post office.

REPORTS OF STANDING COMMITTEES

Committee on Transportation and Commerce

ASSEMBLY CHAMBER, SACRAMENTO, February 5, 1947

MR. SPEAKER: Your Committee on Transportation and Commerce, to which was referred:

Senate Bill No. 1

Has had the same under consideration, and reports the same back with the recommendation: Do pass

BURNS, Chairman

Above reported bill ordered to second reading.

Committee on Revenue and Taxation

ASSEMBLY CHAMBER, SACRAMENTO, February 5, 1947

MR. SPEAKER: Your Committee on Revenue and Taxation to which was referred Senate Bill No. 2

Has had the same under consideration, and reports the same back with the recommendation: Do pass.

HOLLIBAUGH, Chairman

Above reported bill ordered to second reading.

SECOND READING OF SENATE BILLS (BY UNANIMOUS CONSENT)

Senate Bill No. 2—An act to add Section 10759 to the Revenue and Taxation Code, and Section 373.5 to the Vehicle Code, relating to vehicle registration and license fees.

Bill read second time.

Resolution to Suspend Constitutional Provision

The following resolution was offered:

By Mr. Burns:

Resolved, That Senate Bill No. 2 presents a case of urgency, as that term is used in Article IV, Section 15, of the Constitution, and the provision of that section requiring that the bill be read on three several days in each house is hereby dispensed with, and it is ordered that said bill be read the third time, and placed upon its passage.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Allen, Berry, Blosser, Boyd, Brady, Brown, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Dolwig, Doyle, Dunn, Erwin, Gaffney, Gannon, Geddes, Grant, Hahn, Heisinger, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Robertson, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—61.

NOES—None.

Article IV, Section 15, of the Constitution was declared suspended.

CONSIDERATION OF SENATE BILL NO. 2

Senate Bill No. 2—An act to add Section 10759 to the Revenue and Taxation Code, and Section 373.5 to the Vehicle Code, relating to vehicle registration and license fees.

Bill read third time.

The roll was called, and the bill passed by the following vote:

AYES—Allen, Berry, Blosser, Boyd, Brady, Brown, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Dolwig, Doyle, Dunn, Erwin, Gaffney, Gannon, Geddes, Grant, Hahn, Heisinger, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Robertson, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—61.

NOES—None.

Bill ordered transmitted to the Senate.

SECOND READING OF SENATE BILLS (BY UNANIMOUS CONSENT)

Senate Bill No. 1—An act to amend Sections 160, 164, 164.5, and 675.5 of the Vehicle Code, relating to the registration of motor vehicles.

Bill read second time.

Resolution to Suspend Constitutional Provision

The following resolution was offered:

By Mr. Burns:

Resolved, That Senate Bill No. 1 presents a case of urgency, as that term is used in Article IV, Section 15, of the Constitution, and the provision of that section requiring that the bill be read on three several days in each house is hereby dispensed with, and it is ordered that said bill be read the third time, and placed upon its passage

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Allen, Berry, Blosser, Boyd, Brady, Brown, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Dolwig, Doyle, Dunn, Erwin, Gaffney, Gannon, Geddes, Grant, Hahn, Heisinger, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Robertson, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—61.

NOES—None.

Article IV, Section 15, of the Constitution was declared suspended

CONSIDERATION OF SENATE BILL NO. 1

Senate Bill No. 1—An act to amend Sections 160, 164, 164.5, and 675.5 of the Vehicle Code, relating to the registration of motor vehicles.

Bill read third time.

The roll was called, and the bill passed by the following vote:

AYES—Allen, Berry, Blosser, Boyd, Brady, Brown, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Dolwig, Doyle, Dunn, Erwin, Gaffney, Gannon, Geddes, Grant, Hahn, Heisinger, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Robertson, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—61.

NOES—None.

Bill ordered transmitted to the Senate.

COMMITTEE FROM THE SENATE

Senators Kraft, Watson, and O'Gara appeared before the bar of the Assembly, and announced that the Senate had concluded its labors, and was now ready to recess the First Extraordinary Session of the Fifty-seventh (General) Session until 12 m., Monday, March 3, 1947.

REPORTS OF STANDING COMMITTEES

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, February 5, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:

Assembly Concurrent Resolution No. 1—Relative to the recess of the Fifty-seventh (First Extraordinary) Session of the Legislature, and to the reassembling of the Legislature after said recess, and fixing the date for said recess and said reassembling;

And reports that the same has been correctly enrolled, and presented to the Secretary of State on the fifth day of February, 1947, at 2:55 p.m.

WEBER, Chairman

MOTION TO APPROVE JOURNALS

On motion of Mr. Dickey, the Assembly Journals for Monday, February 3, 1947; Tuesday, February 4, 1947; and Wednesday, February 5, 1947, were approved as corrected by the Minute Clerk.

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Messrs. Allen and Boyd, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to E. F. Scattergood of Los Angeles.

On request of Mr. Loomis, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Mr. and Mrs. C. C. Rogers of Chico.

ADJOURNMENT

At 3 p.m., on motion of Mr. Dickey, pursuant to the provisions of Assembly Concurrent Resolution No. 1, the Speaker declared the Assembly adjourned until 11 a m , Monday, March 3, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE

FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

NINETEENTH LEGISLATIVE DAY

FIFTIETH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO

Monday, March 3, 1947

At 11 o'clock a.m., pursuant to the provisions of Assembly Concurrent Resolution No. 1, the Assembly was called to order.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Butters, Caldecott, Carey, Clarke, Collier, George D Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Gruusky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr Speaker—76.

Quorum present.

PRAYER

Upon invitation of the Speaker, the following prayer was offered by the Rev. Richard Dwyer:

Our Father, who art in heaven, hallowed be Thy name. Thy kingdom come, Thy will be done on earth as it is in heaven. Give us this day our daily bread, and forgive us our trespasses as we forgive those who trespass against us Lead us not into temptation, but deliver us from evil—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Clarke, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following members were granted leaves of absence for the day, because of illness:

Mr. Burns, on motion of Mr. Sam L. Collins.

Mr. Dolwig, on motion of Mr. McCollister.

PLEDGE OF ALLEGIANCE TO THE FLAG

Upon request of the Speaker, the Assembly gave the pledge of allegiance to the Flag.

RESOLUTIONS

The following resolutions were offered:

By Mr Dickey:

House Resolution No. 13

Resolved by the Assembly of the State of California, That the Speaker of the Assembly appoint a Committee of Three to inform the Senate that the Assembly is in session pursuant to the provisions of Assembly Concurrent Resolution No. 1, and ready for the transaction of legislative business, with the following officers, to wit

Hon. Sam L. Collins----------Speaker
Hon. Thomas A. Maloney----------Speaker pro Tempore
Arthur A. Ohnimus----------Chief Clerk
Geraldine B. Hadsell----------Minute Clerk
Wilkie Ogg----------Sergeant-at-Arms
Rev. Raymond Renwald----------Chaplain

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 13, at this time, without reference to committee or file

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Allen, Beck, Boyd, Brown, Burke, Butters, Caldecott, Collier, Conrad, Cooke, Cramer, Crichton, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Nicholson, Price, Robertson, Rosenthal, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, and Waters—61.

NOES—None.

Appointment of Select Committee

Pursuant to the provisions of House Resolution No 13, the Speaker announced the appointment of Messrs Sherwin, Caldecott, and Lester T. Davis, as such Select Committee.

By Mr. Dickey:

House Resolution No. 14

Resolved by the Assembly of the State of California, That a Select Committee of Five be appointed to wait upon His Excellency, the Governor, and inform him that the Assembly has reconvened pursuant to Assembly Concurrent Resolution No 1 and is ready to proceed with the business of the State

Resolution read, and adopted.

Appointment of Select Committee

Pursuant to the provisions of House Resolution No. 14, the Speaker announced the appointment of Messrs. McCollister, Ralph C. Dills, Carey, Loomis, and Heisinger, as such Select Committee.

By Mr. Dickey:

House Resolution No. 15

Resolved by the Assembly of the State of California, That the Permanent Standing Rules of the Assembly as adopted by the Assembly in General Session February 5, 1947, and printed in the Assembly Journal of that date at pages 50 through 76, be and the same are hereby adopted as the Permanent Standing Rules of the Assembly for this Fifty-seventh (First Extraordinary) Session

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 15, at this time, without reference to committee or file.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Allen, Anderson, Beck, Boyd, Brown, Burke, Butters, Caldecott, Clarke, Collier, Cooke, Cramer, Crichton, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, Price, Robertson, Rosenthal, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, and Mr. Speaker—62.

NOES—None.

By Mr. Dickey:

House Resolution No. 16

Resolved by the Assembly of the State of California, That the Controller be and he is hereby directed to draw his warrant upon the Contingent Fund of the Assembly in favor of the Chief Clerk of the Assembly, and the State Treasurer is hereby directed to pay the same, in the amount of one thousand nine hundred seventy-five dollars ($1,975), said amount being for the purchase of postage stamps to be used by Members of the Assembly for official mail; and be it further

Resolved, That the Chief Clerk be and he is hereby directed to purchase stamps in such amounts and denominations, not exceeding one thousand nine hundred seventy-five dollars ($1,975) in the aggregate, as shall be necessary for the use of the Members of the Assembly for official mail; and be it further

Resolved, That the amount of stamps requisitioned by any one Member of the Assembly for official mail shall not exceed the sum of twenty-five dollars ($25).

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 16, at this time, without reference to committee or file.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Allen, Anderson, Beck, Boyd, Brown, Burke, Butters, Caldecott, Clarke, Collier, Conrad, Cooke, Cramer, Crichton, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinton, Hollibaugh, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, Price, Robertson, Rosenthal, Sherwin, Silliman, Stanley, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, and Mr. Speaker—61.

NOES—None.

By Mr. Dickey:

House Resolution No. 17

Resolved by the Assembly of the State of California, That the Controller be and he is hereby authorized and directed to draw his warrant on the Contingent Fund of the Assembly in favor of Arthur A. Ohnimus, Chief Clerk of the Assembly, and the State Treasurer is hereby directed to pay the same, for the sum of two hundred dollars ($200), said amount being for the payment of postage, telegraphing, expressage, and incidental expenses of the Chief Clerk's Office.

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 17, at this time, without reference to committee or file.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Allen, Anderson, Beck, Boyd, Brown, Burke, Butters, Caldecott, Clarke, Collier, Conrad, Cooke, Cramer, Crichton, Lester T. Davis, M. Philip Davis, Debs,

Dickey, Clayton A. Dills, Ralph C. Dills, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinton, Hollibaugh, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, Price, Robertson, Rosenthal, Sherwin, Silliman, Stanley, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, and Mr. Speaker—61.

NOES—None.

REQUEST FOR UNANIMOUS CONSENT TO PRINT LETTER OF TRANSMITTAL AND REPORT

Mr. Heisinger asked for unanimous consent that a letter of transmittal from the Department of Motor Vehicles and an attached Report of Actual and Estimated Expenditures of the Motor Vehicle Department for the Fiscal Years 1945 to 1948 be ordered printed in the Assembly Journal.

By order of the Speaker, the request was referred to the Committee on Rules.

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following resolution was offered:

Assembly Joint Resolution No. 1: By Mr. Dickey—Relative to centralized purchasing for Navy Ships Service Stores.

Referred to Committee on Rules.

ANNOUNCEMENTS

Speaker Collins announced that at 11.45 a.m., this morning, a Flag Raising Ceremony will be held on the front lawn of the Capitol; with His Excellency, the Hon. Earl Warren, Governor of the State of California, officiating as speaker of the occasion. All members who can be free to participate in the event are urged to do so.

COMMITTEE FROM THE SENATE

Senators Dilworth, Mayo, and Donnelly appeared before the bar of the Assembly, and informed the Assembly that, pursuant to the provisions of Assembly Concurrent Resolution No. 1, the Senate had reconvened, and was ready to proceed with the business of the State with all officers heretofore elected present.

COMMUNICATIONS

By the Chief Clerk:

The following communication was received, read, and ordered printed in the Journal:

CAPITOL CORRESPONDENTS ASSOCIATION OF CALIFORNIA
STATE CAPITOL, SACRAMENTO, February 28, 1947

Honorable Arthur A. Ohnimus
Chief Clerk, Assembly
Sacramento, California

DEAR MR. OHNIMUS: The Standing Committee of the Capitol Correspondents Association has investigated application for authentication as accredited press representative and recommends the following action:

Approved for press card:

San Francisco Call-Bulletin—John Keyes.

Sincerely,

EARL C BEHRENS, President

The above action, as taken by the Capitol Correspondents Association of California, was ratified by the Members of the Assembly.

By Speaker Collins:

A complaint and brief from Aaron M. Sargent, relative to subversive textbooks and misconduct in the schools, were received, and referred to the Committee on Rules.

By Speaker Collins:

A communication from George Fast of Reedley, California, relative to increasing the gasoline taxes, was received, and referred to the Committee on Revenue and Taxation.

By Speaker Collins:

A communication from the Chiksan Company of Brea, California, relative to Assembly Bill No. 1342, was received, and referred to the Committee on Education.

By the Chief Clerk:

A communication from Miss Claudia Louise Walker, a writer-publicist of San Francisco, relative to a guide written by her for people interested in writing their family history, was received, and referred to the Committee on Governmental Efficiency and Economy.

By the Chief Clerk:

The following communication was received, read, and ordered printed in the Journal:

DEPARTMENT OF PROFESSIONAL AND VOCATIONAL STANDARDS
SACRAMENTO 14, CALIFORNIA, February 28, 1947

Mr. Arthur A. Ohnimus, Chief Clerk, California State Assembly
State Capitol, Sacramento, California

DEAR MR. OHNIMUS: Pursuant to the provisions of Business and Professions Code, Section 110.6, we are submitting herewith the Biennial Report of the Division of Administrative Procedure to the Governor and to the Legislature.

Yours truly,

RALPH N. KLEPS
Chief, Division of Administrative Procedure

Above transmitted report ordered filed with the Secretary of State.

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS (RESUMED)

The following bill was introduced, and read the first time:

Assembly Bill No. 35: By Messrs. Thompson and Kirkwood—An act to provide for the relocation of a portion of State Highway Route 5 in Santa Clara County, making an appropriation therefor, and declaring the urgency hereof, to take effect immediately.

Referred to Committee on Conservation and Planning.

REQUEST FOR UNANIMOUS CONSENT TO USE ASSEMBLY CHAMBER FOR MEETING

Mr. Hollibaugh asked for, and was granted, unanimous consent that the Committee on Revenue and Taxation be permitted to use the Assembly

Chamber at 2 p.m., on Tuesday, March 4, 1947, for the purpose of holding a meeting.

REQUEST FOR UNANIMOUS CONSENT THAT NOTE BE TAKEN OF THE 100 YEARS ANNIVERSARY OF THE BIRTH OF THOMAS A. EDISON

Mr. Dunn asked for, and was granted, unanimous consent that tribute be paid by Members of the Assembly, this day, to the great Thomas A. Edison, whose birth took place 100 years ago, today.

REPORTS OF SELECT COMMITTEES

The Select Committee appointed to wait upon the Governor reported that it had performed its duty.

The Select Committee appointed to wait upon the Senate reported that the Senate was organized, and ready to proceed with the regular business.

ANNOUNCEMENT OF COMMITTEE MEETINGS

It was announced that the following committees would hold meetings:

At 2 p.m., today—

Ways and Means.

At 2 p.m., tomorrow, Tuesday, March 4, 1947—

Revenue and Taxation.

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Mr. Conrad, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Mrs. Charles J. Conrad and Dr. and Mrs. J. S. Wiggins of Hollywood.

On request of Mrs. Niehouse and the San Diego Delegation, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Louise Graham of San Diego.

ADJOURNMENT

At 11.50 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 10 a.m., Tuesday, March 4, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE

FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

TWENTIETH LEGISLATIVE DAY

FIFTY-FIRST CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO

Tuesday, March 4, 1947

The Assembly met at 10 a m.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Butters, Caldecott, Carey, Clarke, Collier, George D Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A Dills, Ralph C Dills, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sherwin, Sullivan, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Waters, Weber, Wollenberg, and Mr. Speaker—74.

Quorum present

PRAYER

The following prayer was offered by the Chaplain, Rev Raymond Renwald:

O God, from Whom proceeds all holy desires, right counsels and just works, give to Thy servants that peace which the world cannot give, that our hearts being devoted to Thy service and the fear of enemies being taken away, the times may be, by Thy protection, peaceful—AMEN

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Blosser, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following members were granted leaves of absence for the day, because of illness:

Mr. Burns, on motion of Mr. Dickey.

Mr. Dolwig, on motion of Mr. Dickey.

The following member was granted leave of absence for the day, because of legislative business elsewhere:

Mr. McCollister, on motion of Mr. Maloney.

The following member was granted leave of absence for the day, and desired to waive his per diem:

Mr. Thurman, on motion of Mr. Grunsky.

COMMUNICATIONS

By Speaker Collins:

The following communication was received, read, and ordered printed in the Journal:

CALIFORNIA COUNCIL REPUBLICAN WOMEN
SANTA BARBARA, CALIFORNIA, February 21, 1947

RESOLUTION

Be it resolved: That the Executive Board of the California Council of Republican Women, in session assembled at the Palace Hotel in San Francisco, California, on February 21, 1947, do vigorously oppose any legislation advanced to discontinue party designation of legislative officers in California, and do resolve to make every effort to see that the voters of California are made acquainted with the dangers of such proposed legislation; and be it further

Resolved: That a copy of this resolution be sent to all groups interested in good government, and that we solicit support in opposition to such legislation.

CALIFORNIA COUNCIL OF REPUBLICAN WOMEN
MRS. ELMER H. WHITTAKER, President
MRS. JOHN P. ROBERTS, Corresponding Secretary

ANNOUNCEMENT OF COMMITTEE APPOINTMENT

Speaker Collins announced the appointment of Mr. Beck as a member, and as Vice Chairman, of the Committee on Education, vice Mr. Evans, resigned.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, March 3, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate on this day adopted

Senate Concurrent Resolution No. 2

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

FIRST READING AND REFERENCE OF SENATE BILLS

The following resolution was read:

Senate Concurrent Resolution No. 2—Relative to the passing of Isadore B. Dockweiler.

Request for Unanimous Consent

Mr. Ralph C. Dills asked for, and was granted, unanimous consent to take up Senate Concurrent Resolution No. 2, at this time, without reference to committee or file.

CONSIDERATION OF SENATE CONCURRENT RESOLUTION NO. 2

Senate Concurrent Resolution No. 2—Relative to the passing of Isadore B. Dockweiler.

Resolution read, and adopted unanimously by a rising vote.

Resolution ordered transmitted to Senate.

RESOLUTIONS

The following resolution was offered:

By Messrs. Dunn and Maloney:

House Resolution No. 18

Relative to Alexander Graham Bell

WHEREAS, March 3, 1947, marked the 100th anniversary of the birth of Alexander Graham Bell; and

WHEREAS, It is to the inventive genius and unselfish work of Alexander Graham Bell that the world now owes the miraculous system of telephonic communication which binds continent to continent and nation to nation, bringing to each individual a means by which he can speak personally to any other individual in any part of the world, and furnishing also the swift and convenient communication upon which our vast modern industrial economy and political organization operates; now, therefore, be it

Resolved by the Assembly of the State of California, That this Assembly pause in its work to pay tribute to the genius and endeavor which created the first telephone from which our modern system grew; and be it further

Resolved, That when this Assembly this day adjourns it do so in commemoration of Alexander Graham Bell; and be it further

Resolved, That the Chief Clerk of the Assembly transmit suitably engrossed copies of this resolution to Walter F. Gifford, President, American Telephone and Telegraph Company, to Mark K. Sullivan, President, Pacific Telephone and Telegraph Company, and to Ned R. Powley, Chairman of the Board, Pacific Telephone and Telegraph Company

Request for Unanimous Consent

Mr. Dunn asked for, and was granted, unanimous consent to take up House Resolution No. 18, at this time, without reference to committee or file.

Resolution read, and adopted unanimously.

COMMUNICATIONS

By Mr. Beck:

The following opinion of the Legislative Counsel was received, read, and ordered printed in the Journal:

Opinion of Legislative Counsel

OFFICE OF LEGISLATIVE COUNSEL
SACRAMENTO 2, CALIFORNIA, March 1, 1947

Honorable Julian Beck, 205 Mission Building
San Fernando Road and Brand Avenue, San Fernando, California

Civil Service Rights of Members of California Highway Patrol—No. 2952

DEAR MR. BECK: In the above numbered request you have asked whether or not Senate Bill 3 of the Special Session would, if enacted, adversely affect any civil service rights now held by members of the California Highway Patrol, by reason of the provision therein for repeal of Section 119 of the Vehicle Code.

We are of the opinion that the repeal of said section would not affect any such civil service rights.

The origin of this section is to be found in the enactment of Section 360c of the Political Code, which was added by Statutes of 1931, Chapter 478. By virtue of that chapter the Department of Motor Vehicles was created. A paragraph was added safeguarding the existing civil service rights of employees of the patrol. At that time there was no constitutional provision for the state civil service. This provision was carried over and reenacted in 1935 as Section 119 of the Vehicle Code, as a part of the codification.

You will note that under Section 4 of Article XXIV of the Constitution, all state employees are included within the state civil service except those specifically exempted, with a provision that certain exempt classifications may be brought under the system by the Legislature.

The position of member of the California Highway Patrol is not one provided as exempt (except that the Director of Motor Vehicles may have one confidential position as provided in said Section 4), therefore the civil service status of members of the patrol is protected by the Constitution.

In view of the constitutional provision above mentioned, Section 119 has no practical effect, and its repeal makes no substantive change in the law

Very truly yours,

FRED B. WOOD, Legislative Counsel
By W. L. KILGORE, Deputy

Copies to authors of Senate Bill 3 pursuant to Joint Rule 34.

EXPRESSION OF APPRECIATION

Speaker Collins expressed, on behalf of the desk officers and attaches, their appreciation to Members of the Assembly for their courtesy in authorizing needed desk alterations and improved lighting facilities during the constitutional recess.

RESOLUTIONS

The following resolution was offered:

By Messrs. Maloney, Sam L. Collins, Gaffney, Gannon, Weber, Doyle, and Burke:

House Resolution No. 19

Relative to congratulating William Randolph Hearst upon his sixtieth anniversary as a newspaper publisher

WHEREAS, March 4, 1947, marks the sixtieth anniversary of the day on which William Randolph Hearst became publisher of the San Francisco *Examiner* and embarked upon a career of newspaper publishing during which he has developed many newspapers in all parts of the United States to a position of influence and greatness largely through his own editorial genius, each enterprise having been advanced and guided by his dynamic energies and liberal editorial policies; and

WHEREAS, During those 60 years the editorial policy of William Randolph Hearst has expressed and sought the greatest liberal ideals, as reflected in his great editorial campaigns in behalf of the initiative, the referendum, and the recall, suffrage for women, just programs and benefits for veterans, better hours, conditions and wages for labor, and many other vital public issues; and

WHEREAS, William Randolph Hearst has pursued also a policy advocating a strong United States, not for the purposes of imperialism but that the might of this Nation should be a bulwark for peace, and to that end he gave full support to such notable enterprises as the Panama Canal, adequate military preparedness, suppression of the narcotic traffic, and unwise foreign policy, frequently pointing out the danger to this Country in the intrigues of Japan, and the insidious promulgation of Communism within the United States; now, therefore, be it

Resolved by the Assembly of the State of California, That recognition is hereby given on behalf of the people of the State of California to the great public service which William Randolph Hearst has given to the people of this State and of the Nation as one of the world's greatest and most liberal minded publishers; and be it further

Resolved, That William Randolph Hearst is hereby congratulated upon his 60 years of newspaper publication in which he has attained a success unequalled in any era; and be it further

Resolved, That the Chief Clerk of the Assembly transmit a suitably prepared copy of this resolution to William Randolph Hearst.

Request for Unanimous Consent

Mr. Maloney asked for, and was granted, unanimous consent to take up House Resolution No. 19, at this time, without reference to committee or file.

Resolution read, and adopted unanimously.

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following bill was introduced, and read the first time:

Assembly Bill No. 36: By Mr. Evans—An act to repeal Part 4, comprising Sections 9601 to 10501, inclusive, of Division 2 of the

Revenue and Taxation Code, imposing a tax upon persons engaged in the transportation of persons or property for hire or compensation by motor vehicle, to add Part 4, comprising Sections 9601 to 10501, inclusive, to Division 2 of the Revenue and Taxation Code, and to amend Section 372 of the Vehicle Code, relating to the imposition of taxes and fees to be paid by persons operating commercial vehicles, and providing that this act shall take effect immediately.

Referred to Committee on Revenue and Taxation.

ANNOUNCEMENT OF COMMITTEE MEETINGS

It was announced that the following committees would hold meetings:

At 11 a.m., today—

Ways and Means.

Upon adjournment, today—

Rules.

At 2 p.m., today, in the Assembly Chamber—

Revenue and Taxation.

At 8 p.m., on Wednesday, March 5—

Education.

At 2.30 p.m., Thursday, March 6—

Conservation and Planning.

At 3 p.m., Thursday, March 6—

Transportation and Commerce.

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Messrs. Waters and Huyck, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Mr. and Mrs. Arthur Guy, Jr., and Mr. and Mrs. Arthur Guy, Sr., of Los Angeles.

On request of Mrs. Niehouse and the San Diego Delegation, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Mrs. George Graves, of San Diego.

On request of Mr. O'Day, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to W. B. Dickman, of San Francisco.

ADJOURNMENT

At 10.30 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 10 a.m., Wednesday, March 5, 1947, in tribute to the late Isadore B. Dockweiler and out of respect to the one hundredth anniversary of the birth of Alexander Graham Bell.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE

FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

TWENTY-FIRST LEGISLATIVE DAY

FIFTY-SECOND CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO

Wednesday, March 5, 1947

The Assembly met at 10 a.m.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Butters, Caldecott, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C Dills, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McMillan, Miller, Niehouse, Price, Robertson, Rosenthal, Sherwin, Silliman, Stanley, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—72.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

Behold the desires of Thy humble servants, we beseech Thee, O Almighty God, and stretch forth the right hand of Thy Majesty in our defense, that we may ever be protected from all dangers and guided in the way of Thy commandments, through Christ Our Lord—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Stewart, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following members were granted leaves of absence for the day, because of illness:

Mr. Dolwig, on motion of Mr. Maloney.

Mr. Burns, on motion of Mr. Maloney.

The following member was granted leave of absence for the day, because of legislative business elsewhere:

Mr. McCollister, on motion of Mr. Maloney.

COMMUNICATIONS

By the Chief Clerk:

The following communication was received, read, and ordered printed in the Journal:

CAPITOL CORRESPONDENTS ASSOCIATION OF CALIFORNIA
STATE CAPITOL, SACRAMENTO, March 4, 1947

Honorable Arthur A. Ohnimus
Chief Clerk, Assembly, Sacramento, California

DEAR MR. OHNIMUS. The Standing Committee of the Capitol Correspondents Association has examined the application for authentication as accredited press representative and recommends the following action:

Approved for Press Card:

Fresno Bee and *Modesto Bee* } O. M. Shelton

Sincerely,

EARL C. BEHRENS, President

The above action, as taken by the Capitol Correspondents Association of California, was ratified by the Members of the Assembly.

REQUEST FOR UNANIMOUS CONSENT THAT CHIEF CLERK BE INSTRUCTED TO WRITE LETTERS

Mr. Maloney asked for, and was granted, unanimous consent requesting the Speaker to write letters on behalf of the Members of the Assembly to Messrs. Dolwig and Burns, who are seriously ill, expressing best wishes for their early recovery; and a letter to Mr. C. Lyn Fox, accredited news representative in Sacramento for the San Francisco Call-Bulletin, also ill, expressing sympathy and best wishes.

RESOLUTIONS

The following resolution was offered:

By Mr. Dickey:

House Resolution No. 20

Resolved, That the following named persons be and they hereby are appointed to the positions hereinafter set forth, with the compensation set opposite their names, payable weekly, and the Controller hereby is directed to draw his warrants in favor of the respective persons for the said respective amounts, and the Treasurer hereby is directed to pay the same; said compensation to be upon a seven-day week basis:

Commencing Monday, March 3, 1947:	*Per day*
Chief Clerk, Arthur A. Ohnimus	$20 00
First Assistant Clerk, Harold Lewright	15 00
Minute Clerk, Geraldine B. Hadsell	15 00
Chaplain, Rev. Raymond Renwald	5 00
Sergeant-at-Arms, Wilkie Ogg	15 00
Assistant Clerk, Robert J. Finnie	12 00
Assistant Clerk, Carroll Parish	12 00
History Clerk, Ethel E. Brockelbank	12 00
File Clerk, Ruth Riley	12 00
Engrossment and Enrollment Clerk, Charles W. Robbins	14 00

Request for Unanimous Consent

By unanimous consent, House Resolution No. 20 was taken up, at this time, without reference to committee or file.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Burke, Butters, Clarke, Collier, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Doyle, Dunn, Erwin, Evans, Fletcher, Gaffney, Geddes, Grant, Grunsky,

Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McMillan, Niehouse, Price, Robertson, Rosenthal, Sherwin, Sullivan, Stanley, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—62

NOES—None

COMMUNICATIONS

By Speaker Collins:

The following communication was received, read, and ordered printed in the Journal:

SAN FRANCISCO, CALIFORNIA, March 3, 1947

Honorable Sam L. Collins, Speaker of the Assembly
State Capitol, Sacramento, California

DEAR MR. SPEAKER: During the recess I received word of the resolution passed by the Assembly relative to the death of my mother.

Will you please be so kind as to express to all of the Members of the Assembly my deep appreciation of your and their thoughtfulness in remembering me and my family at the time of our loss.

Sincerely yours,

GARDINER JOHNSON

By Speaker Collins:

The following communication was received, read, and ordered printed in the Journal:

NATIONAL SOCIETY
DAUGHTERS OF THE AMERICAN REVOLUTION IN CALIFORNIA
San Francisco, Calif., February 28, 1947

Honorable Sam L. Collins, Speaker of the Assembly
Capitol Building, Sacramento, California

DEAR MR. COLLINS: At a meeting of the Northern Council, Daughters of the American Revolution, held in San Francisco, February 28, 1947, the following resolution was adopted:

Resolved, That it is the sense of the members of the Northern Council of the California State Society, Daughters of the American Revolution, that, in the public interest, there should be a complete and impartial investigation conducted by open public hearings before a committee of the Legislature, to inquire into the matters set forth in the complaint concerning "Building America" textbooks, heretofore lodged by the California Society of the Sons of the American Revolution with the secretaries of the Senate and Assembly.

Resolved further, That copies of this resolution be transmitted to the Honorable Goodwin Knight, as President of the Senate, and to the Honorable Sam L. Collins, Speaker of the Assembly.

Very truly yours,

MARGARET L. MOWRY
Assistant State Secretary

Above communication ordered referred to the Committee on Education.

REQUEST FOR UNANIMOUS CONSENT THAT ASSEMBLY BILL NO. 26 BE WITHDRAWN FROM THE COMMITTEE ON CONSERVATION, PLANNING, AND PUBLIC WORKS, AND BE RE-REFERRED TO THE COMMITTEE ON GOVERNMENTAL EFFICIENCY AND ECONOMY

Mr. Ralph C. Dills asked for, and was granted, unanimous consent that Assembly Bill No. 26 be withdrawn from the Committee on Conservation, Planning and Public Works and be re-referred to the Committee on Governmental Efficiency and Economy.

CONSIDERATION OF DAILY FILE

THIRD READING OF ASSEMBLY BILLS

Assembly Bill No. 11—An act to amend Section 374 of, and to repeal Sections 162 and 374.5 of, and to add Section 374.5 to, the Vehicle Code, relating to exemptions of and liability for fees of publicly owned vehicles.

Bill read third time.

Bill ordered held on file until next legislative day.

Point of Order

Mr. Doyle arose to the following point of order: That further discussion on Assembly Bill No. 11 is out of order because the matter is not before the Assembly for consideration, at this time.

Ruling by Speaker

Speaker Collins rules the point of order well taken.

REPORTS OF STANDING COMMITTEES

Committee on Rules

ASSEMBLY CHAMBER, SACRAMENTO, March 4, 1947

MR. SPEAKER: Your Committee on Rules, to which was referred:

Communication addressed to Speaker Sam L. Collins relative to a complaint re State Board of Education as presented by Aaron M. Sargent;

Has had the same under consideration, and reports the same back with the recommendation: Be re-referred to Committee on Governmental Efficiency and Economy

DICKEY, Chairman

Above reported communication re-referred to Committee on Governmental Efficiency and Economy.

ASSEMBLY CHAMBER, SACRAMENTO, March 4, 1947

MR. SPEAKER: Your Committee on Rules, to which was referred:

Assembly Joint Resolution No. 1

Has had the same under consideration, and reports the same back with the recommendation: Be adopted

DICKEY, Chairman

Above reported resolution ordered engrossed.

ASSEMBLY CHAMBER, SACRAMENTO, March 5, 1947

MR. SPEAKER: Your Committee on Rules, to which was referred:

Request from Mr. Heisinger relative to communication from Department of Motor Vehicles;

Has had the same under consideration, and reports the same back with the recommendation: Be printed in the Assembly Daily Journal.

DICKEY, Chairman

Above reported communication ordered printed in the Journal.

COMMUNICATIONS

DEPARTMENT OF MOTOR VEHICLES,
SACRAMENTO, February 14, 1947

Hon. S. L. Heisinger, Member of the Assembly, State of California
State Capitol, Sacramento, California

MY DEAR MR. HEISINGER: I have before me your letter of February 1, 1947, in which you inquire the "average cost per registration of motor vehicles" in this State. Also, if registration fees are "used for purposes other than the administration of the registration department."

The Department of Motor Vehicles, consisting of four main divisions, namely: Administration, Registration, Drivers' Licenses, and Enforcement, is supported from a common appropriation. This amount is appropriated from the Motor Vehicle Fund, into which *all the moneys* collected by the department are deposited. Roughly, these moneys are classed as "registration and weight fees" and "miscellaneous fees."

A sum equal to 31⅔ percent of the "registration and weight fees" is divided among the counties according to the number of vehicles registered in each. After provision for the amount required for support of the Department of Motor Vehicles and the apportionment to counties, the remainder is transferred to the State Highway Fund for highway purposes.

The department has never attempted to maintain a cost system whereby it could determine the exact cost of any one function because (1) there is an overlapping between divisions as to services performed and (2) the cost of maintaining such a record would be prohibitive. The basic costs are, however, segregated for budgetary purposes. It may be that for your purpose this will be sufficient.

The following reflects the costs, etc., for the Ninety-seventh Fiscal Year (July 1, 1945, to June 30, 1946). This is the most recent year for which the figures are complete. During this period the department registered 3,272,038 vehicles of all types. The cost of operation was $9,223,456.20, as follows:

Division	*Cost*	*Cost per vehicle**
Administration	$645,575.12	$0.1973
Registration	2,583,635.59	.7896
Enforcement	4,093,472.07	1.2510
Drivers' Licenses	1,011,174.17	.3090
Land and Buildings	237,325.59	.0725
Employees' Retirement	652,273.66	.1994
Total	$9,223,456.20	$2.8188

* Based on 3,272,038 vehicles.

The department also collects the "Vehicle License Fees" (In Lieu Tax). This is done at the same time the registration fees are collected. These particular fees are divided among the counties, cities, and State General Fund on a basis of 40 percent, 40 percent and 20 percent, respectively. For this service the department received $658,436 during the Ninety-seventh Fiscal Year. This rebate amounted to $0.2012 per vehicle. The remainder of the total cost of operation of the department, $2.6176 per vehicle ($2.8188 minus .2012), was paid from the Motor Vehicle Fund into which the registration fees, weight fees, and miscellaneous fees were deposited.

During the Ninety-seventh Fiscal Year the department collected the following amounts from the sources indicated:

Registration and Weight Fees	$16,134,591.37
Miscellaneous Fees	2,688,782.49
Vehicle License Fees	18,410,366.19
Total	$37,233,740.05

I trust that the foregoing will serve your purpose. If it does not, I shall be glad to furnish any additional information you may desire.

Very truly yours,

EDGAR E. LAMPTON, Director

Actual and Estimated Expenditures of Motor Vehicle Department by Fiscal Years 1945-48

	Fiscal Years							
	1944-45		1945-46		1946-47		1947-48	
	Total[1]	Per vehicle[3]	Total[2]	Per vehicle[3]	Total[2]	Per vehicle[3]	Total[2]	Per vehicle[3]
Division of Administration	$599,581	$0.20	$645,575	$0.21—	$793,073	$0.23	922,007	$0.25
Division of Registration	2,522,628	0.84—	2,583,636	0.83	3,740,515	1.09	3,587,178	1.04
Division of Enforcement	3,319,632	1.11	4,093,472	1.31	4,783,882	1.39	6,144,854	1.65
Division of Drivers Licenses	782,380	0.26	1,011,174	0.32+	1,215,524	0.35	1,676,860	0.45
Land and Buildings	87,744	0.03	237,326	0.08	265,994	0.08	370,437	0.10
Total	7,311,965	2.44	8,571,183	2.75	10,798,988	3.14	13,001,336	3.49
Employees Retirement	417,042	0.14	652,273	0.21	910,265	0.26	912,853	−0.25
Total Expenditures	7,729,007	2.58	9,223,456	2.96	11,709,253	3.40	13,914,189	3.74
Less Amount paid out of In Lieu Tax	491,209	0.16	658,436	0.21	658,436	0.19	935,316	0.25
Net Total paid out of Motor Vehicle Fund	$7,237,798	$2.42	$8,565,020	$2.75	$11,050,817	$3.21	$12,978,873	$3.49

[1] Total expenditures from Controller's records, divided among functions by applying 1945-47 budget breakdown.

[2] From State of California Budget for 1947-48, p. 663.

[3] Computed for fee paid vehicles (actual and estimated) as follows:
1944-45, 2,993,224
1945-46, 3,118,840
1946-47, 3,442,051
1947-48, 3,720,000 (estimated)

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following bill was introduced, and read the first time:

Assembly Bill No. 37: By Messrs Geddes, Luckel, Dunn, Hollibaugh, Cramer, Doyle, Gaffney, James, and Silliman—An act making an appropriation for the construction and maintenance of the State Highway System.

Referred to Committee on Ways and Means.

REQUEST FOR UNANIMOUS CONSENT TO USE ASSEMBLY CHAMBER FOR MEETING

Mr. Hollibaugh asked for, and was granted, unanimous consent that the Committee on Revenue and Taxation be permitted to use the Assembly Chamber at 2 p m., today, for the purpose of holding a meeting

EXPRESSION OF APPRECIATION

Mr. Hahn expressed appreciation on behalf of Pepperdine College for the adoption by the Members of the Assembly of Assembly Concurrent Resolution No 28 at the General Session; and for the engrossed copy presented to the college.

ANNOUNCEMENT AND REQUEST FOR UNANIMOUS CONSENT

Mr. Wollenberg announced that the members of the Ways and Means Committee will make a tour of inspection, by chartered bus, next Friday, Saturday, and Sunday, to the following places: San Francisco State College; San Jose State College; Langley Porter Clinic, San Francisco; Stockton State Hospital; Agnew Hospital in San Jose; and Hammond Hospital in Modesto; and asked for, and was granted, unanimous consent that the Friday session, March 7th, be convened early, and adjourned early, for the purpose of permitting the members of the Committee on Ways and Means to start their tour.

ANNOUNCEMENT OF COMMITTEE MEETINGS

It was announced that the following committees would hold meetings:

Today at 2 p.m., in the Assembly Chamber—
Revenue and Taxation.

Today at 2 p.m., on the Fourth Floor—
Public Health.

Tomorrow, Thursday, March 6, at 9 a m., in Ways and Means Committee Room—
Joint Interim Committee on Housing.

Wednesday, March 12, at 3 p.m —
Governmental Efficiency and Economy.

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Messrs. Sam L. Collins and Johnson, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Maurice E. Clark of Exeter

On request of Mr. Conrad, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to John H. Ballantyne of Hollywood.

On request of Mr. Knight, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Alpha C. Knight of Hynes.

ADJOURNMENT

At 10 37 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11 a.m., Thursday, March 6, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

TWENTY-SECOND LEGISLATIVE DAY
FIFTY-THIRD CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Thursday, March 6, 1947

The Assembly met at 11 a.m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—76

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

O Almighty and All-wise God, we acknowledge that Thy laws are just and that the acts of Thy Providence are designed to lead us to eternal salvation. Grant us, therefore, we beseech Thee, that we, who suffer because of our deeds, may be relieved by the consolation of Thy grace, through Christ our Lord—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. George D. Collins, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following members were granted leaves of absence for the day, because of illness:

Mr. Burns, on motion of Mr. Maloney.
Mr. Dolwig, on motion of Mr. Maloney.

The following member was granted leave of absence for the day, and desired to waive his per diem:

Mr. Lyons, on motion of Mr. Hollibaugh.

RESOLUTIONS

The following resolution was offered:

By Messrs. Hinton and Gaffney:

House Resolution No. 21

Relative to federal loans for scheduled airlines

WHEREAS, There presently exists a grave financial crisis in the airlines industry; and

WHEREAS, The people of California have a vital interest in economic development of this mode of transportation; and

WHEREAS, The State of California is most strategically located with regard to future enemy action and the continuance of a strong air transport system is vital to defense; and

WHEREAS, Reconstitution of trade with the Orient may be materially hastened by adequate air transportation between the Pacific Coast and the Far East; and

WHEREAS, The community of interest of large metropolitan as well as suburban communities in California can best be accomplished through air transportation and its sound economic growth, which is well illustrated by the relationship and transportation between the Capitol City and the largest metropolitan areas in California, and

WHEREAS, The current financial problems of the scheduled airlines are the result of economic conditions created by the world conflict just completed and other causes beyond management control; now, therefore, be it

Resolved by the Assembly of the State of California, That the Congress of the United States is respectfully memorialized to act favorably upon the recommendation of the President of the United States that federal money be made available through the Reconstruction Finance Corporation to the scheduled airlines; and be it further

Resolved, That the Reconstruction Finance Corporation is respectfully petitioned to act favorably upon the applications of those air carriers entitled thereto for loans; and be it further

Resolved, That the Chief Clerk of the Assembly transmit a copy of this resolution to the President of the United States, the President pro Tempore of the Senate, the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States and to Charles B. Henderson, Chairman of the Reconstruction Finance Corporation

Request for Unanimous Consent

Mr. Hinton asked for, and was granted, unanimous consent to take up House Resolution No. 21, at this time, without reference to committee or file.

Resolution read, and adopted.

COMMUNICATIONS

By Speaker Collins:

A communication from the Permanent Bi-Partisan Committee of Young Republicans and Young Democrats of San Francisco for the improvement of legislation in city, county, State and National Government, relative to San Francisco State Teachers' College, was received, and referred to the Committee on Rules.

RESOLUTIONS

The following resolution was offered:

By Mr. Dunn:

House Resolution No. 22

WHEREAS, House Resolution No. 18, by inadvertance, failed to include the names of the present day leaders of the telephone communications industry, now, therefore be it

Resolved, That suitably engrossed copies of House Resolution No. 18 be forwarded to Walter F. Gifford, President, American Telephone and Telegraph Co., to Mark K. Sullivan, President, Pacific Telephone and Telegraph Co. and to Ned R.

Powley, Chairman of the Board, Pacific Telephone and Telegraph Co.; and be it further

Resolved, That the aforesaid names be added to House Resolution No 18.

Request for Unanimous Consent

Mr Dunn asked for, and was granted, unanimous consent to take up House Resolution No 22, at this time, without reference to committee or file

Resolution read, and adopted

REPORTS OF STANDING COMMITTEES

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, March 5, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:

Assembly Joint Resolution No. 1

And reports the same correctly engrossed

WEBER, Chairman.

Above reported resolution ordered on file for adoption.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, March 5, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate on this day adopted:

Senate Joint Resolution No. 1

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

FIRST READING AND REFERENCE OF SENATE BILLS

The following resolution was read:

Senate Joint Resolution No. 1—Relative to memorializing the Congress of the United States, in considering and acting upon the budget, to give due consideration to the need and necessity of a strong national defense, and adequate naval and military establishments.

Referred to Committee on Rules.

REQUEST FOR UNANIMOUS CONSENT THAT LETTER OF TRANSMITTAL AND RESOLUTION BE PRINTED IN JOURNAL

Mr. Anderson asked for, and was granted, unanimous consent that the following letter of transmittal from the City of El Segundo, and attached resolution, be ordered printed in the Assembly Journal:

CITY OF EL SEGUNDO
EL SEGUNDO, CALIFORNIA, February 7, 1947

Honorable Glenn U Anderson, Assemblyman
State Legislature, Sacramento, California

DEAR GLENN, At its regular meeting held February 5, 1947, the City Council of the City of El Segundo adopted its resolution recommending passage of Assembly Bill No 412, and Assembly Bill No 22, companion bill in special session, now pending before the State Legislature. Copy of said resolution is enclosed for your information.

We note you are one of the sponsors of said bill, so we feel certain it has merit.

Very truly yours,

VICTOR D. McCARTHY, City Clerk

Moved by Councilman Skelley, seconded by Councilman Baker, the following resolution be adopted:

WHEREAS, Imperial Highway in Los Angeles and Orange Counties, California, is an artery of major importance and large volumes of traffic in ever increasing proportions are making use of said highway; and

WHEREAS, It is essential that the said highway be brought into condition so as to serve its highest and best use; and

WHEREAS, There is now pending before the Legislature of the State of California, Assembly Bill No. 22 (Special Session) and Assembly Bill No. 442, which has for its purpose the proper recognition and development of said highway; now, therefore, be it

Resolved, That the City Council of the City of El Segundo does hereby respectfully recommend and urge the Legislature of said State to enact said bill into law, as this council feels that the said measure has great merit; and, be it further

Resolved, That the city clerk be and he is hereby authorized and instructed to cause copies of this resolution to be transmitted to the Honorable Glenn M. Anderson, Assemblyman from this district; the Honorable Jack B. Tenney, Senator from Los Angeles County; the State Highway Commission and the Imperial Highway Association.

The foregoing resolution was adopted by the following vote:

AYES: Councilmen Baker, Peterson, Skelley, Thompson, and Mayor Selby.
NOES: Councilmen None
ABSENT: Councilmen None

CONSIDERATION OF DAILY FILE

THIRD READING OF ASSEMBLY BILLS

Assembly Joint Resolution No. 1—Relative to centralized purchasing for Navy ships service stores.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Allen, Bennett, Berry, Blossel, Boyd, Brown, Burke, Butters, Caldecott, Carey, Clarke, Collier, Conrad, Cooke, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Ralph C. Dills, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—68

NOES—None

Resolution ordered transmitted to the Senate.

ANNOUNCEMENTS

Mr. M. Philip Davis announced that the members of the Southern California Delegation of the Assembly will meet for luncheon today, at noon, at the Hotel Senator.

REQUEST FOR UNANIMOUS CONSENT TO USE ASSEMBLY CHAMBER

Mr. Hollibaugh asked for, and was granted, unanimous consent that the Committee on Revenue and Taxation be permitted to use the Assembly Chamber at 2 p.m., today, for the purpose of holding a meeting.

ANNOUNCEMENTS

Mr. Wollenberg announced that the buses chartered to transport the members of the Ways and Means Committee on their tour of hospitals and colleges on Friday, Saturday, and Sunday, will be leaving the front door of the Capitol at 10.30 a.m., tomorrow, Friday, March 7th, and urged all members to be at the starting point on time.

RESOLUTIONS

The following resolution was offered:

By Messrs. M. Philip Davis, Geddes, Hahn, Ralph C. Dills, Evans, Hinton, and Gaffney:

House Resolution No. 23

Relative to adjournment in respect to the memory of Ruben S. Schmidt

WHEREAS, On February 23, 1947, the death of Ruben S. Schmidt, Judge of the Superior Court of Los Angeles County, took from the people of the State of California an able and devoted public servant; and

WHEREAS, Ruben S. Schmidt was a native of Los Angeles, received his education there and at the University of Michigan, and from the time of his admission to the Bar in 1905 until his death at the age of 65 years, he was ever devoted to the best interests of his community and his profession; now, therefore, be it

Resolved by the Assembly of the State of California, That by this resolution the Members of this Assembly express their deep regret upon the passing of this able jurist and the loss of his public service to the people of Los Angeles County and of the State of California; and be it further

Resolved, That the Chief Clerk of the Assembly send suitably prepared copies of this resolution to the family of Judge Schmidt; his widow, Mrs. Katherine R. George Schmidt, and his son, George Schmidt; and be it further

Resolved, That when this Assembly this day adjourns it do so out of respect to the memory of Ruben S. Schmidt.

Request for Unanimous Consent

Mr. Davis asked for, and was granted, unanimous consent to take up House Resolution No. 23, at this time, without reference to committee or file.

Resolution read, and adopted unanimously.

MOTION TO RE-REFER COMMUNICATION

Mr. Dunn moved that the communication signed by Margaret L. Mowry, as printed on page 3 in the Assembly Journal of March 5, 1947, be withdrawn from the Committee on Education, and be re-referred to the Committee on Governmental Efficiency and Economy.

Motion carried.

ANNOUNCEMENT OF COMMITTEE MEETINGS

It was announced that the following committees would hold meetings:

At 2 p.m., today—

Educational Subcommittee of the Committee on Ways and Means. Revenue and Taxation in Assembly Chamber

At 3 p.m., today—

Transportation and Commerce.

At 2.30 p.m., Thursday, March 13th—

Conservation, Planning, and Public Works

ANNOUNCEMENT OF CANCELLATION OF MEETING

It was announced that the meeting of the Committee on Conservation, Planning, and Public Works, scheduled for today, at 2.30 p.m., has been canceled.

REQUEST FOR UNANIMOUS CONSENT THAT STATEMENT BE PRINTED IN JOURNAL

Mr. Waters asked for, and was granted, unanimous consent that the following statement made by Mr. Neil Petree of Los Angeles before the

Assembly Committee on Revenue and Taxation on yesterday afternoon, March 5, 1947, relative to the proposed state highway program, be ordered printed in the Assembly Journal:

Statement by Mr. Neil Petree to Assembly Revenue and Taxation Committee

Introduction

GENTLEMEN: I realize the tremendous job that this committee has and I know how much work lies before you. Therefore I want to tell you how much I appreciate your asking me to testify before you and I am going to try to be as brief as possible.

I am appearing before you as a man of many hats, inasmuch as in various capacities I represent the Los Angeles Chamber of Commerce as a director, and Chairman of its Metropolitan Traffic and Transit Committee, the Automobile Club of Southern California as vice president, the Downtown Business Men's Association as chairman of the board, and the State Chamber of Commerce as a director, and Vice Chairman of the Statewide Highway Committee.

All of these organizations favor an expanded highway program to be built *as soon as possible* in the State, and to include expressways both in the cities and in the rural areas.

They all favor increases in taxes to accomplish this expanded program. They all favor an equitable split of the tax load among various kinds of highway users, and they favor spending the money pretty much where it is raised.

Most of all, they favor making the best possible use of the taxpayers' money, as, I am sure, do all of you Assemblymen. Therefore, they do not favor *all* the features of the Senate Bill No. 5, which is coming out of the Senate, nor *all* the features of the legislation which this committee is now discussing.

We will try to amplify these general statements of policy here today and try to show you how we have come to certain conclusions.

History

First of all, what axe are *we* grinding in this highway problem?

We think we are acting completely unselfishly. We don't stand to make any money out of highways. We have no desires except to put California, the greatest tourist state in the Union, at the top of the highway list. We are acting, not as *business organizations, but as civic organizations.* We *only* know that *good highways* mean good business and will make our State and our own communities better places to live and work. We are therefore urging our people to support an expanded highway program.

How does it happen that we are all for this program, when some were against it before?

We were never against a highway program, but many of our people, a couple of years ago, asked questions about the financing and the need that couldn't then be answered satisfactorily.

Now those questions have been answered to the satisfaction of all of us by a fine interim committee of our Legislature. That committee, the Collier committee, has worked tirelessly on its assignment. We feel that the Collier committee deserves great praise for the businesslike way in which it has done its job.

A couple of years ago, people said, "We don't know about this plan for superhighways. Where do they go? Who gets them?"

Now we know exactly where they go. We know how many miles are proposed. We know what kind of expressways will be built. We know these things as a result of the Kennedy Report to the Collier committee, a report made by G. Donald Kennedy, vice president of the Automotive Safety Foundation. The interesting thing about this report is that, despite many kinds of opposition to the general idea of financing new highways in the State, no one has successfully attacked the report. Everyone agrees that it is a fine report.

A couple of years ago people said, "We don't know how much these highways will cost. We think new highways may be necessary, but let's be businesslike. What is the cost?"

Now we know exactly how much they will cost. Of course, this "exactly" is only an estimate, but it is a figure that hasn't been disproved. It is a figure that wasn't just plucked out of the air. Kennedy's engineers traveled the State, along with the Collier committee. They surveyed the roads. They studied economic trends. They not only figured the cost per mile of new roads, but they factored this cost by an estimate of increased costs throughout the 10-year period during which the new system would be built. Their estimates of cost for current operations are running just about even with actual costs.

A couple of years ago, some people said, "We have enough money in the State Highway Fund to do the job without any new taxes."

We thought we'd like to try to answer that one ourselves. So the Major Highway Development Committee, a group composed of the State Chamber, the Los Angeles Chamber, the Automobile Clubs, the Western Oil and Gas Association, and the railroads, appointed a subcommittee whose sole purpose was to find out how much money could be expected from present taxes during the next 10 years.

This subcommittee was headed by James L. Beebe, whom you all know. He had working with him Alden Fensel of the California Taxpayers' Association, John Pierce of the Western Oil and Gas Association, Ed Moore of the California State Automobile Association, Rolland Vandegrift, Legislative Auditor, Ernest East of the Automobile Club of Southern California, and W. L. Connally of the State Chamber of Commerce.

This committee found that the total income for that 10-year period from 1946-56 would be a little more than $800,000,000. This gave us something to work on. As the reports of the Collier committee became available we began to see what was needed in the way of revenues and what we would get from present revenues, and therefore what we might need in the way of additional revenues.

Now, despite this information, some of those opposed to financing the building of new highways, say there is still plenty of money. They say the Highway Division has enough money now to keep going for a long time.

Interesting fact is that the Western Oil and Gas people a month or so ago advertised that, among other things, the State Highway Division had $140,000,000 as of July 1, 1946.

They used this as a balance on hand as of this date and then added estimates for the next four years' income. We have never had any argument with those figures, except that a good portion of that original $140,000,000 has been spent as the months go by.

In fact, $89,000,000 of it represented state highway funds and this sum, plus the money coming in during the fiscal year 1946-47 will either be spent or allocated by June 30th of this year, according to Mr. Purcell of the Department of Public Works.

The big mistake that we feel was made by the opposition to this program in their estimates of need, was the comparison of estimated revenues *with an unaccelerated program*. They found that revenues totaled $668,000,000 and that when they compared that with the unaccelerated program there would be a surplus of $35,000,000.

Now we did what we thought was the right thing. We took the amount on hand, unexpended and unallocated, in the State Highway Division as of December 31, 1946, the most up-to-date figure we could get. To this we added estimates of income from the next four fiscal years, from 1947-48 through 1950-51. The total income was $529,000,000.

Then we compared this income with the estimated expenditures of the Kennedy Report for the expanded, accelerated program, which, after all, is what we are all interested in. We found there would be a deficit of more than $253,000,000. That didn't look to us as if there was enough money to do the job without new funds.

Meanwhile, we have been checking over contract schedules of the Highway Division, because we wanted to be sure that the division wouldn't perhaps go on a spending spree just to get rid of the money and thus present a better picture for asking for new funds. The latest contracts show an amazingly good record of expenditure on what the State Highway Division called its first critical deficiencies program. In fact, in Los Angeles County from February through June of this year, of a total of about $9,500,000 in contracts, only one, for traffic signals amounting to $61,000, was not on the first critical deficiencies list.

We are confident that the State Highway Division is spending its current funds on projects of great need and we believe Mr. Purcell when he says that all the surpluses in the State Highway Fund will be either spent or allocated for expenditure by the end of this fiscal year.

A couple of years ago, people said, "Well, even if you need the money and you know what should be built, you won't be able to spend the money when you *do* get it."

That was a reasonable statement, if true, so we tried to find out about it. We asked the State Highway Division. They told us that they wouldn't have any trouble properly spending additional funds and would still be able to let contracts with competitive bidding. In fact, Mr. R. M. Gillis, chief construction engineer of the division, told us that he had had five bids recently on a million-dollar contract and that new companies were constantly moving into the California highway construction picture, which would also tend to keep the market highly competitive.

We wanted to be doubly sure of this, so we asked the Associated General Contractors the same question. They told us that competitive bidding could be maintained with as much as $300,000,000 a year in contracts. That would be over $3,000,000,000 in 11 years and the proposed program is about $2,400,000,000 in 11 years and this figure includes right-of-way costs.

Those are the basic reasons why we have supported an expanded highway and expressway program and why we feel that the program should be commenced now.

Kinds of Financing

In our thinking, we have found one more difficulty to overcome. That was the evident desire on the part of those opposing a progressive plan to confuse the issue. When all other arguments seem to fail, they sought approval for other methods of financing.

They proposed bond issues. We thought we had a pretty good answer for that, when we said simply that bond issues cost too much. We in California discarded bond

issues as long ago as 1923, when we went into highway-user taxes. And we are still paying for bonds floated in 1909 for highways that were worn out in 1920.

They proposed assessment districts Assessment districts are not fair means of financing highways because expressways in particular do not improve property adjacent to the expressway, but improve only the property at either end. It is difficult to determine any basis for setting up a formula of assessment which is equitable as among all users.

They proposed toll roads. This appeared to be a pretty fair way of doing the job, because everytime a user went onto a road, he paid something. I talked to Bob Moses in New York, who has built the freeways that go into and around Manhattan. He told me they worked all right when you had a bridge or some natural barrier, but that they wouldn't work otherwise. Reports to the Collier committee say that toll roads wouldn't work in California unless they were built over a water boundary, as in the Bay area, or through a mountain pass.

The farmers have issued a brochure favoring toll roads, but I frankly can't see how they *could* be in favor of them. If there were a toll road from Los Angeles to San Francisco, the only fair thing to do would be to limit its access to those who paid to get onto it, anywhere. This would mean that a farmer who wanted to travel 25 miles—or 15 miles—to town would have to pay out of proportion each day toward the building and upkeep of the road.

Toll roads in any area where the traffic calls for an expressway would slow down traffic to the point where the expressway would be impractical. The recent Arroyo Seco, built just before the war, now holds 6,500 cars per hour at the peak. If these cars were held up for any appreciable length of time, the efficiency of the highway would be sharply reduced.

It was proposed that we rely more and more on federal aid. There are two reasons why we have opposed this. Federal aid necessarily implies payments made to the Federal Government in the form of taxes. The less federal aid, the less government tax. We have always paid more out in taxes than we have received back in any form of federal aid. Therefore, we think it is bad state policy to rely on this type of aid. Secondly, the general philosophy upon which all of us have based our state politics is an insistence on local control of our local policies. We want to be as independent as possible of help; we want to be politically independent

The Proposed Plan

In the Los Angeles Chamber of Commerce, we had been taking into consideration all these factors as we watched the Collier committee come to basic conclusions in regard to highway financing.

We read the Lindman Report to the Collier committee and approved it generally. We expected the Collier committee to recommend a 1½-cent gas tax, and other diesel and truck taxes based on the Lindman Report.

When the bills were written, we were surprised to note the 3-cent gas tax, the relatively higher diesel and truck taxes, and the registration and drivers' license fees

We were further surprised when the State Highway Division reversed its long-standing 1945 critical deficiencies program and asked for double its original $695,000,000. We were further shocked when, within a few days, the division put out a new critical deficiencies program calling for an even greater amount.

We, therefore, decided to look at all three critical deficiencies programs and compare them with the program outlined in the Kennedy Report We found that all the first critical deficiencies program was included in the Kennedy Report. We found that the second report consisted of lateral additions to the first, many of them farther from congested areas, and we concluded that the first program was really representative of the immediate needs of the State.

We have felt, therefore, that we would be correct in assuming that what Kennedy said should be done was a good program. After all, the people of California paid $140,000 to have the Collier committee report on the needs of the State. It doesn't seem good business to disregard that report, especially when the State Highway Division's first appraisal of our need is the same as the Kennedy Report needs.

In determining our available revenues, we took the report of the Beebe subcommittee. We compared it with estimates of income made by Lindman They came within a small percent in an 11-year span. Therefore, we concluded that the Beebe Report was all right. And after all, the Beebe subcommittee had included John Pierce of the Western Oil & Gas Association, a fact in which we take considerable comfort these days.

We tried to be realistic. We realized that we could no longer accept estimates based on a period, a part of which had already elapsed. So we compared costs of the first three years of the Kennedy program—the "unaccelerated" portion, with estimates of income for that period—and we included the balances in the State Highway Fund as of June 30, 1946. The surplus was about $18,000,000 We therefore assumed that from 1945 through July 1, 1948, the present income from all sources and the costs of the Kennedy program to that date would just about "wash out."

Then we compared costs of the next 11 years, which would bring us up to June 30, 1959, with estimated income for the same years. We found the deficit would be $782,000,000.

Therefore, we knew that we would have to have more money if we wanted new highways and expressways—and new county and city roads.

Our next question was: "Will proposed financing now before the Legislature bring in the needed money? Will it be too little or too much?"

We found that the 5-cent gas tax, the 7½-cent diesel fuel tax, ton-mile tax as in Schedule 2 in the Lindman Report, the $6 registration fee and the $4.50 license fee, would bring in about $2,672,092,000.

This $2,600,000,000, plus estimated receipts from local sources, was about $313,000,000 more than the needs as estimated in the Kennedy Report. This included all needs—State, county and city—and very generous estimates of the increased needs of the Motor Vehicle Department.

I should say that the estimates of income were based on projections of the Beebe subcommittee estimates, and that the needs of the Motor Vehicle Department were based on a projection of the new requirements in the Governor's 1947-48 Budget, plus three times the estimated requirements for drivers' license administration in that budget.

Next, we were interested in whether proposed legislation met the requirements of the counties, the cities and the State. We found that the counties got $115,000,000 more, and the cities $81,000,000 less than Kennedy had said they should get. Therefore we concluded that these allocations should be changed.

Our next step was to determine what taxes would be necessary to meet the estimated deficit. We found that a 4½-cent gas tax, a 6¾-cent diesel fuel tax, a $5 registration tax and a $1 drivers license fee would do the job, plus an increased truck tax.

We knew that Clark Seargeant, president of the Trucking Industry, Inc., had been quoted as saying that a 50 percent increase in truck taxes would be the absolute maximum that trucks could pay. We knew that the truck tax was now about $12,000,000 a year including the 3 percent gross receipts tax which would be repealed if a new tax were added. A 50 percent increase in this tax during the next 11 years would result in total income of about $211,000,000, assuming an increase in registration based on Beebe subcommittee estimates. This would be more than 60 percent of all collected in 11 years from trucks—$298,000,000, under the Lindman schedule.

We estimated that, since the new taxes would be imposed additionally on private carriers who constitute about 70 percent of the carriers, a total tax suggested in Schedule 1 of the Lindman Report would certainly not result in more than an overall 50 percent increase.

We, therefore, accepted the Lindman philosophy of equity and found that Schedule 1 would just about make up the needs according to the Kennedy Report and would still be within the requirements of the Lindman Report and of the trucking industry.

In this regard, I should also like to say that the Los Angeles Chamber of Commerce, the Auto Club of Southern California and Los Angeles Downtown Business Men's Association have not necessarily approved the idea that this truck tax should be collected as a mileage tax. We have simply set up certain limits beyond which we do not think it is necessary to collect new taxes. We feel that the Legislature should and will consider the ability of the trucking industry to pay its fair way and also will determine the fairest way to collect the tax.

We found that these reduced taxes would bring in only about $4,000,000 more for 11 years than is necessary according to the needs of the Kennedy Report. We sincerely feel that it would be wise for the Legislature to approve the imposing of just the amount of tax needed rather than too large a tax.

There is no arguing the point that these estimates are subject to scrutiny and that includes the later cost estimates of the State Highway Division, as well as the estimates of revenue made by Mr. Zettel of the Collier committee staff.

We feel it is good governmental policy to impose a small tax rather than a larger one when there is any choice between estimates of need. It is a proper guarding of the public's funds.

In our further study of proposed legislation we have found that there is no earmarking of funds for expressways. You all know that the very beginning of this study made by the Collier committee was based on a desire for an urban-rural and metropolitan expressway system. That has been our basic need for California.

We, therefore, feel that it is very important that a portion of the money spent for highways be spent on expressways and that that portion be indicated in the necessary legislation. Kennedy showed that of all expenditures of the State Highway Division, about 50 percent were necessitated by planned expressways. We think, therefore, that this earmarking should be on the order of 50 percent.

We feel also that the money should be spent throughout the State pretty much in the same ratio that it is collected. And this ratio of collection is just about the ratio of need, since where there are more people, there are more cars, and where there are more cars, there is more use of the highways, more traffic and more congestion.

We submit that the money should be spent for construction and maintenance on the basis of registration, since that is the best method we know to indicate the need.

The southern counties now have 59.6 percent of the registration and we think therefore, that for long-term legislation, at least 60 percent of the money should be spent within those southern counties.

In summing up, I should like to make these points:

It seems to us that the whole question of financing the new highway system has been boiled down by the opposition to two main questions. (1) Is there enough money now to do the job without new taxes, and (2) What is a fair burden for the trucks to carry in any new financing?

On the question of whether there is enough money, there is a matter of $89,000,000, which the opposition says should be counted as spendable, but the Highway Division and the Governor says it will be spent by the end of this year, or allocated and shouldn't be counted as money available. We agree that money can't be spent twice, and that this money shouldn't be counted.

On the question of a fair share of the burden to be placed on trucks, our position is clear. We agree with the truckers that the burden should not exceed a 50 percent increase in present taxes.

With those questions out of the way, there are no further questions that should be raised, since the opposition has clearly, on many occasions said they wanted a new, expanded highway program.

The whole question of allocating the funds, once they are available, boils down to where the need lies. We think the best indication of need is automobile registration. If there is a better indication, we think this better method should be brought out. The State Highway Division, which has been in the business for years, determines its critical deficiencies on the basis of traffic count, accident ratios, and existing facilities. We all know that there is more traffic, more accidents, and therefore less adequate facilities, in congested areas where the registration is highest.

We would also like to see the expressways made a primary part of the new program. We would not like to see new funds spread throughout the State without due regard to the needs of the State for expressways in metropolitan areas and for those expressways to run through the great rural and farming areas of the State.

Therefore, we feel that it would be good policy to earmark a certain amount of the State Highway Fund for expenditure on the expressway system. We found that the Kennedy Report calls for the expenditure of 51 percent of all the state highway needs on the expressway system. Therefore we recommend that at least 50 percent of all the State Highway Fund each year be spent on the expressway system as outlined in the bills now before the Legislature.

I am sorry to have taken such a long time, but this is an important matter and should receive much attention. I have not taken your time with the obvious references to safety and to savings in time, money and accidents which will result from the immediate building of an expanded highway and freeway system.

I should just like to close my statement with the thought that we in Southern California are considering the good of the entire State. We feel that first and foremost, an adequate highway system, including expressways, must be built. It should be built immediately. There is not now enough money to do the job. We feel that the schedule of taxes we propose will do the job adequately and make the best use of the taxpayers' money.

We cannot spend large amounts of money to prove the worth of this program to you, we cannot deluge you with post cards; but we can and do tell you that, as businessmen and primarily as citizens, we feel that this new highway program should be actively supported and should be commenced immediately.

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Messrs. M. Philip Davis and McMillan, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to O. K. Barnes of Westwood Hills.

On request of Messrs. Thomas and Conrad, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Jean Haley of San Pedro.

On request of Mr. Cooke, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Mr. and Mrs. V. M. Freeman of Santa Paula.

ADJOURNMENT

At 11.45 a.m., on motion of Mr Dickey, the Speaker declared the Assembly adjourned, until 10 a m., Friday, March 7, 1947, out of respect to the memory of the late Judge Ruben S. Schmidt.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE

FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

TWENTY-THIRD LEGISLATIVE DAY

FIFTY-FOURTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO

Friday, March 7, 1947

The Assembly met at 10 a.m.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, and Mr. Speaker—70.

Quorum present.

PRAYER

Upon invitation of the Speaker, the following prayer was offered by Assemblyman Walter R. Hinton:

Almighty God, Judge of men and nations, we ask Thee to guide us in this meeting and in all our days. Grant that we may challenge the responsibilities that lie before us with wisdom, confidence, and courage; with a new and stronger faith in our government and a stronger faith in Thee, Father of us all; in Thy name we pray—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Blosser, further reading of the Journal of the previous legislative day was dispensed with

LEAVES OF ABSENCE FOR THE DAY

The following members were granted leaves of absence for the day, because of illness:

Mr. Burns, on motion of Mr. Maloney.

Mr. Dolwig, on motion of Mr. Maloney.

The following members were granted leaves of absence for the day, because of legislative business elsewhere:

Mr. Wollenberg, on motion of Mr. Maloney.

Mr. Crowley, on motion of Mr. Maloney.

Mr. Weber, on motion of Mr. Thorp.

Mr. Huyck, on motion of Mr. Waters.

The following members were granted leaves of absence for the day, and desired to waive their per diems:

Mr. Lyons, on motion of Mr. Hollibaugh.

Mr. Butters, on motion of Mr. Boyd.

Mr. Allen, on motion of Mr. Waters.

COMMUNICATIONS

By Mr. Lowrey:

The following opinion of the Legislative Counsel was received, read, and ordered printed in the Journal:

Opinion of Legislative Counsel

OFFICE OF LEGISLATIVE COUNSEL
SACRAMENTO 2, CALIFORNIA, March 6, 1947

Relinquishment of State Highway to County—#3076

Honorable Lloyd W. Lowrey
Assembly Chamber

DEAR MR. LOWREY: You have asked us to determine by what statute or authority the State Department of Public Works may hand over a relinquished strip of state highway to a county, where the county is unwilling to accept it.

The authority is to be found in Section 73 of the Streets and Highways Code, which provides:

> "The commission may relinquish to any county or city any portion of any state highway within such county or city which has been superseded by relocation, for use as a county highway or city street, as the case may be. Relinquishment shall be by resolution, a certified copy of which shall be filed with the board of supervisors or the city clerk, as the case may be."

Section 72 of the same code authorizes the California Highway Commission to abandon any easement or portion thereof acquired for state highway purposes, and Section 836 sets forth the procedure required for such abandonment. Section 837 provides that the title of a highway so abandoned reverts to the owner of the fee. Section 835 authorizes the commission to vacate a highway superseded by relocation except in a case where a property owner's right of access would be cut off thereby. Reference is also made in this section to relinquishment to the county.

Although there appears to be no judicial authority on the exact point, the statute clearly authorizes relinquishment of a state highway superseded by relocation to the county or city. The political subdivision apparently has no power to refuse to accept such highway.

You will note that provision is made in the Streets and Highways Code (Sections 954 to 960.4, inclusive) for abandonment of county highways and disposal of real property no longer necessary for highway purposes.

Very truly yours,

FRED B. WOOD, Legislative Counsel
By W. L. KILGORE, Deputy

By Speaker Collins:

A communication from Mrs. Mildred Hoffman of Sacramento, relative to permitting seeing-eye dogs in schools, was received, and referred to the Committee on Education.

By Speaker Collins:

A resolution from the San Francisco Round Table, relative to "Building America" textbooks, was received, and referred to the Committee on Governmental Efficiency and Economy.

By Speaker Collins:

A communication from Percy J. Deffez, of Arthur, Texas, relative to the necessity for legislation to regulate the age limit in the Retirement Act, was received, and referred to the Committee on Industrial Relations

By Mrs. Niehouse and Mr Allen.

A resolution from the Pasadena Citizens' Committee relative to the "Anti Scalping" Bill, was received, and referred to the Committee on Rules

ANNOUNCEMENTS

Mr Dickey announced that a block of tickets has been reserved for Members of the Assembly for the Pacific Coast Intercollegiate Boxing Tournament which is to be held in the Auditorium on March 12th and 13th. Tickets must be purchased by Monday, March 10th, in Room 244, of the Hotel Senator.

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following bills were introduced, and read the first time.

Assembly Bill No. 38: By Mr. Thorp—An act to amend Section 590 of the Vehicle Code, relating to warning devices.

Referred to Committee on Conservation, Planning, and Public Works.

Assembly Joint Resolution No. 2: By Messrs. Hinckley and Price—Relative to requesting the Interstate Commerce Commission to take action to equalize freight rates and eliminate discrimination therein

Request for Unanimous Consent

Mr. Hinckley asked for unanimous consent to take up Assembly Joint Resolution No 2, at this time, without reference to committee, print, or file, and that the same be considered engrossed.

Mr Knight withheld unanimous consent.

Motion to Temporarily Suspend the Rules

Mr. Hinckley moved that the Rules be temporarily suspended for the purpose of considering Assembly Joint Resolution No. 2, at this time, without reference to committee, print, or file, and that the same be considered engrossed.

The roll was called, and the Rules temporarily suspended by the following vote:

AYES—Beck, Bennett, Berry, Blosser, Boyd, Brown, Burke, Caldecott Carey, Clarke, Collier, Conrad, Cooke, Cramer, Crichton, Lester T Davis, M Philip Davis, Dickey, Clayton A. Dills, Ralph C. Dills, Doyle, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Hinckley, Hinton, Hollibaugh, James, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Maloney, McCollister, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Thomas, Thompson, Thorp, Thurman, Waters, and Mr Speaker—60.

NOES—Heisinger and Knight—2.

CONSIDERATION OF ASSEMBLY JOINT RESOLUTION NO. 2

Assembly Joint Resolution No. 2—Relative to requesting the Interstate Commerce Commission to take action to equalize freight rates and eliminate discrimination therein

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brown, Burke, Caldecott, Carey, Clarke, Collier, Conrad, Cooke, Cramer, Crichton, Lester T Davis, M Philip Davis, Dickey, Clayton A. Dills, Ralph C. Dills, Doyle, Erwin, Evans, Field, Fletcher Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley,

Hinton, Hollibaugh, James, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Maloney, McCollister, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber and Mr Speaker—64.

NOES—Knight—1.

Resolution ordered printed, and transmitted to the Senate.

REPORTS OF STANDING COMMITTEES

Committee on Transportation and Commerce

ASSEMBLY CHAMBER, SACRAMENTO, March 6, 1947

MR. SPEAKER: Your Committee on Transportation and Commerce, to which were referred:

Assembly Bill No. 27
Assembly Bill No. 28

Has had the same under consideration, and reports the same back with the recommendation: Do pass.

LUCKEL, Vice Chairman

Above reported bills ordered to second reading.

REQUEST FOR UNANIMOUS CONSENT TO USE ASSEMBLY CHAMBER

Mr. Hollibaugh asked for, and was granted, unanimous consent that the Committee on Revenue and Taxation be permitted to use the Assembly Chamber at 2 p.m., today, for the purpose of holding a meeting.

CONSIDERATION OF DAILY FILE
THIRD READING OF ASSEMBLY BILLS

Assembly Bill No. 11—An act to amend Section 374 of, and to repeal Sections 162 and 374.5 of, and to add Section 374.5 to, the Vehicle Code, relating to exemptions of and liability for fees of publicly owned vehicles.

Bill read third time.

Request for Unanimous Consent to Present Amendments

Mr. Thomas asked for unanimous consent that he be permitted to offer amendments to Assembly Bill No. 11, at this time.

Point of Order

Mr. Dickey arose to the following point of order: That Mr. Thomas' request is out of order because, pursuant to the Permanent Standing Rules of the Assembly, he does not have four copies of the proposed amendments at the desk.

Ruling by Speaker

Speaker Collins ruled the point of order well taken.

Request for Unanimous Consent That Amendments Be Ordered Printed in the Journal

Mr. Beck asked for unanimous consent that the proposed amendments to be offered by Mr. Thomas to Assembly Bill No. 11 be ordered printed in the Journal, and that their consideration be deferred until the next legislative day.

Mr. Thomas withheld unanimous consent.

Motion to Temporarily Suspend the Rules

Mr. Thomas moved that the Rules be temporarily suspended for the purpose of considering his amendments to Assembly Bill No. 2, at this time.

Motion lost because of the lack of a second.

Motion to Temporarily Suspend the Rules

Mr. Hawkins moved that the Rules be temporarily suspended for the purpose of considering the amendments to be offered by Mr. Thomas to Assembly Bill No. 11, without the required four copies, at this time.

Substitute Motion

Mr. Boyd moved that the amendments to be offered by Mr. Thomas be referred to the Committee on Transportation and Commerce, and that Assembly Bill No. 11 be withdrawn from the file, and be re-referred with said amendments, to the Committee on Transportation and Commerce.

The roll was called, and the motion lost by the following vote:

AYES—Beck, Boyd, Brady, Brown, Burke, Caldecott, Conrad, Cramer, Crichton, M. Philip Davis, Ralph C. Dills, Doyle, Dunn, Field, Geddes, Grant, Grunsky, Hawkins, Hinton, Hollibaugh, James, Kirkwood, Knight, Loomis, Lowrey, Luckel, Maloney, Price, Stanley, Stephenson, Stewart, Thompson, Thurman, and Waters—34.

NOES—Anderson, Berry, Cooke, Lester T. Davis, Evans, Fletcher, Heisinger, Miller, Niehouse, Robertson, Thomas, and Thorp—12

Request for Unanimous Consent That Amendments Be Ordered Printed in the Journal

Mr. Lowrey asked for, and was granted, unanimous consent that the proposed amendments to be offered by Mr. Thomas to Assembly Bill No. 11 be ordered printed in the Journal.

Proposed Amendments to Assembly Bill No. 11 Offered by Mr. Thomas

Amendment No. 1

On page 1, line 8, of the printed bill, after "state", insert "or for any vehicle used in a governmental, as distinguished from proprietary, capacity and owned by any municipality duly organized under the Constitution or laws of this State, nor for any vehicle owned by a volunteer fire department organized under the laws of this State and used exclusively for fire fighting purposes,".

Amendment No. 2

On page 1, lines 12 and 13, of said bill, strike out "other than the State of California,".

Amendment No. 3

On page 1, line 16, of said bill, after "State", insert "(nor for any vehicle operated in a governmental capacity by the State, or by any township, city or county of this State, as lessee under a lease, lease sale or rental purchase agreement which grants possession of the vehicle to the lessee for a period of 12 months or more)".

Amendment No. 4

On page 2, lines 13 and 14, of said bill, strike out "owned by this State and by any department,", and insert "which are owned, and operated in a proprietary capacity, by this State or by any department,".

ANNOUNCEMENT OF COMMITTEE MEETINGS

It was announced that the following committees would hold meetings:

At 2 p.m., today, in the Assembly Chamber—

Revenue and Taxation.

At 8 p.m., Wednesday, March 12—

Joint meeting, Senate and Assembly Committee on Education to specifically consider Assembly Bill No. 2120.

REQUEST FOR UNANIMOUS CONSENT TO PRINT REPORT FROM DEPARTMENT OF PUBLIC WORKS

Mr. Ralph C. Dills asked for, and was granted, unanimous consent that a report, obtained at his request, from the State Department of Public Works, be ordered printed in the Assembly Journal:

PROJECTS NOT INCLUDED IN BUDGET FOR THE NINETY-NINTH FISCAL YEAR, FROM JULY 1, 1947, TO JUNE 30, 1948, DUE TO LACK OF FUNDS

County, route, section	Description	Miles	Estimated construction cost including construction engineering	Estimated right of way cost	Estimated contract time, days	Date of approval by Highway Commission
1-D.N-71-A	Rte 1 to Smith River, grade and surface	5 6	$913,000	$36,100	320	Jan 20, 1944
1-Hum-1-E,F,Ita	N Scotia Bridge to 16th St in Fortuna, grade and surface	8 1	1,465,000	168,000	400	Jan 20, 1944
1-Lak-49-B	1 0 to 5 9 mi E of Putah Creek (portions), grade and surface	1 7	279,000	1,800	175	May 18, 1944
1-Lak-49-C	At Cache Creek, bridge and approaches		110,000	500	100	June 19, 1946
1-Men-1-C,D	1 5 mi S. of Forsythe Creek Bridge to 1 6 mi N of Forsythe Creek Bridge, grade, surface and structures	3 1	573,000	44,500	250	Jan 20, 1944
1-Men-56-A	At Signal Port and Bacon Gulch, bridges and approaches	0 7	132,000	500	120	July 18, 1946
1-Men-56-D	At Big River, bridge and approaches	1 5	484,000	500	340	May 18, 1946
1-Tri-35-A	At S Fork of Trinity River, repair bridge		60,000	0	75	Oct 17, 1946
1-Tri-35-A	At Mad River, repair bridge		48,000	0	50	Oct 17, 1946
1-Sis-46-A	At Dillon Creek, bridge and approaches		137,000	500	120	Oct 17, 1946
II-Las-21-A	W County Boundary to Rte 29, grade, surface and structures	4 2	350,000	3,200	190	Jan 20, 1944
II-Las-29-C	At Baxter Creek, grade, surface and culvert, to replace bridge	1.5	93,000	1,000	90	Oct 17, 1946
II-Sha-20-C	Sacramento River at Redding, bridge superstructure		430,000	15,500	340	Jan 20 1944
II-Plu-83-A	At Sulphur Creek, bridge and approaches	0 5	50,000	500	75	Oct 17 1946
II-Sha-3-A	S County Boundary to Clear Creek, grade, pave and structures	10.7	1,214,000	141,500	375	Jan 20, 1944
II-Teh-29-E	At S Fork of Cottonwood Creek, bridge and approaches		60,000	500	75	Oct 17 1946
II-Sha-28-D	At Burney Creek and branches, reconstruct four bridges	0 2	110,000	0	100	Sept 12, 1946
II-Sis-3-A	Spring Hill to Weed, grade, surface, Black Butte Overhead	8.0	665,000	76,500	275	Jan 20 1944
II-Sis-46-A	At Clear Creek, bridge and approaches	0.1	138,000	500	120	Oct 17, 1946
III-Col-7-A,B	Arbuckle to 3 mi N, grade and pave[1]	3 1	357,000		190	Jan 20, 1944
III-E.D-11-A,B	2-¼ mi E of Clarksville to Shingle Springs, grade and surface[2]	4 8	427,000		210	Jan 20, 1944
III-Gle-45-C	At Big Butte Creek, bridge and approaches		88,000	1,000	100	Oct 17, 1946
III-Gle-45-C	At Sacramento River Overflow and Campbell Slough, reconstruct bridges	0 2	83,000	1,000	100	May 14, 1946
III-Nev,Sie-38-B,A	½ mi N of Farad to ¾ mi S of Nevada Line, grade and surface	3 0	237,000	750	150	Jan 20, 1944
III-Sut,But-3-A,A	Lomo to 0 4 mi S of Pagan, grade and pave	8.0	655,000	82,200	265	Jan 20, 1944
III-E D-65-B	At S Fork of American River, bridge and approaches	1 5	297,000	1,000	300	July 18, 1946
III-Yol-50-A,B	0 4 mi N of Rumsey to 0 8 mi S of Rumsey, grade and surface	1.2	44,000	8,100	60	Jan 20, 1944
III-Sac-54-C	At Cosumnes River, bridge and approaches	0.1	116,000	1,000	200	Oct 17, 1946
III-Yub-87-A	At Simmerly Slough, bridge and approaches	0 2	83,000	1,000	175	July 18, 1946
IV-Ala-69-Oak	6th and Oak Sts to S City Limits (portions), grade, pave and structures	3 7	7,590,000	2,925,000	450	Jan 20, 1944
IV-S M-68-SSF	N City Limits of S San Francisco to Colma Creek, (portions), grade, pave and structures	1 8	370,000	566,900	350	Jan 20, 1944

IV-C C-14-ECr,Rch	Madison St to San Pablo Ave, grade, pave, structures	1 5	1,411,000	1,207,000	375	Jan 20, 1944
IV-S M-68-SSF,F, Burl, S M	Colma Creek to State St, grade, pave and structures (portions)	0 8	545,000	675,000	250	Jan 20, 1944
IV-Son-1-C,SRo,B	0 3 mi S of Santa Rosa to 1 7 mi N of Santa Rosa, grade, pave and structures	3 7	1,335,000	810,000	375	Jan 20 1944
IV-SCr-56 D,E,SCr	Rob Roy Jct to Morrissey Ave, Santa Cruz		540,000	1,247,600	250	Jan 20, 1944
V-SBt-119,22-F,B,Hst	Hollister to Santa Clara Co Line, grade and surface	9 4	492,000	91,200	225	Jan 20, 1944
V-SBt-67-A	At Pajaro River, bridge and approaches		121,000	1,000	125	Oct 17, 1946
V-SLO-125-B	At Salinas River, reconstruct bridge		28,000	0	50	Oct 17, 1946
V-S B-56-A	At Gaviota Creek, culvert and fill to replace bridge		28,000	0	50	Oct 17, 1946
V-SLO-2-E,SLO	Miles Station to Marsh St in San Luis Obispo, grade and pave	6 3	1,364,000	145,000	400	Jan 20, 1944
VI-Fre-41-M	At Colony Canal and Helm Canal, bridges and approaches	0 2	28,000	1,000	50	Oct 17, 1946
VI-Ker-142-B	At Granite Canyon, bridge and approaches	0.1	22,000	1,000	50	Oct 17, 1946
VI-Tul-129-B	At Deer Creek, bridge and approaches		73,000	1,000	75	Oct 17, 1946
VI-Ker-58-K	At Main Drainage Canal, bridge and approaches	0 1	17,000	1,000	50	Oct 17, 1946
VII-L A-2-L A,D	Eastman St to Alhso St Bridge (portions), grade, pave and structures[2]	3 6	1,421,000		375	Jan 20, 1944
VII-L.A-2-L.A	Alhso St to Vermont Ave (portions), grade, pave and structures[4]	4 1	5,298,000		400	Jan 20, 1944
VII-L A-173-L A,SMca	Olympic Blvd, Bundy Dr to Lincoln Blvd, grade and pave	2 3	990,000	200,000	325	Jan 20, 1944
VII-L A-174-SGt	Approaches to Los Angeles River Bridge	0 6	176,000	250	120	Jan 20, 1944
VII-Ven-2-F	At Long Wall N of Ventura, grade and pave	1 2	892,000	10,100	300	Jan 20, 1944
VIII-Riv-43-B	At Temescal Wash, bridge and approaches	0 4	77,000	1,000	75	July 18, 1946
VIII-SBd-207-A	City Creek Rd, Long Point to Rte 43, grade, surface and structures[5]	7 1	1,000,000		320	Jan 20, 1944
VIII-SBd-190-C	At City Creek, bridge and approaches	0 2	103,000	1,000	100	Oct 17, 1946
IX-Iny-23-A	Independence to Division Creek, grade and surface	9 7	389,000	19,400	200	Jan 20, 1944
IX-Ker-23-C	Cinco to Ricardo, grade, surface and structures	7 8	735,000	2,500	280	Jan 20, 1944
IX-Ker-23-B	Mojave to 4 8 mi N grade, surface and structures	4 8	349,000	2,510	190	May 18, 1944
X-S J-4,5-E,Stku,C	Jct Mariposa Rd S of Stockton to Calaveras River and Wilson Way to Rte 4, grade, pave and structures	7 2	2,594,000	164,900	400	Jan 20, 1944
X-S J-5-B	San Joaquin River at Mossdale, bridge superstructure[6]		531,000		300	Jan 20, 1944
X-S J-75-A	At Old River and Middle River, bridges and approaches		100,000	1,000	180	Oct 17, 1946
X-Ama-97-B	At Dry Creek, bridge and approaches	0 3	46,000	1,000	75	Oct 17, 1946
X-Sac-11-C	At Three-Mile Slough, bridge superstructure[7]		575,000		300	Jan 20, 1944
X-Tuo-65-B	At Moccasin Creek, bridge and approaches	0 1	27,000	1,000	50	Oct 17, 1946
XI-Riv-64-E,Bly,F	4 mi W of Blythe to State Line, grade, surface and structures	7 7	325,000	2,700	175	Jan 20, 1944
XI-S D-12-D	At Sweetwater River, bridge and approaches	0 5	143,000	1,000	120	July 18, 1946
XI-Imp-27-C,Holt	At Alamo River, bridge and approaches	2 0	275,000	5,000	160	July 18, 1946
XI-S D-198-F	At San Felipe Creek, bridge and approaches	0 3	84,000	1,000	90	Oct 17, 1946
XI-S D-78-D	At Aqua Caliente Creek, bridge and approaches	0 3	67,000	1,000	75	Oct 17, 1946
XI-S D-78-A	At Sweetwater River, bridge and approaches	0 5	84,000	1,000	90	Oct 17, 1946
XI-S D-78-B	At Boulder Creek, bridge and approaches		194,000	1,000	220	Oct 17, 1946
XI-S D-78-B	At San Diego River, bridge and approaches	0 1	36,000	1,000	50	Oct 17, 1946
	Total		$40,173,000			

[1] See #31C R/W tabulation
[2] See #24 R/W tabulation
[3] See #82 R/W Tabulation
[4] See #81 R/W tabulation
[5] See #107 R/W tabulation
[6] See #62 R/W tabulation
[7] See #131 R/W tabulation

CONTRACTS OPENED JUNE 30, 1945, TO JANUARY 29, 1947

Date of bid opening	Co, Rte, Sec	Description	Type	Length	Classification	Contract No.
7/ 3/45	Men-56-F	At Chadburn Cr -13.4 Mi N. Ft Bragg	Gr. & Surf	0 17	S	1WLC1
7/ 3/45	Ala-5, 107-E,A	Rte 5, S J Co line-Livermore & Rte. 107 Niles-Sunol	Surf	6 0	S-M	4KC6
7/ 3/45	Mon-2-G,F	San Ardo to King City	Surf	8 7	S-R	5TC3
7/ 6/45	Ala-105-Hay,A	Ward Cr. at Hayward	R C Culvert	------	S	4WC20
7/10/45	Men-1-L	Squaw Rock Slide-8 Mi N Cloverdale	Repair Br	------	S	14TC1
7/11/45	Teh-29-A,B	Rte 3 to 3 Mi E Paynes Cr	Seal Coat	23 6	S-R	2TC9
7/11/45	Pla,Nev-37-DEF,A	Gold Run to Kingvale	Surf	7 8	S-M	3KC8
7/11/45	Yol-99,6-B,C	Bet 1/2 mi S and 2¼ mi N Arcade Sta & Bet Yolo Causeway & 1 mi W Washington	Surf	5 3	S-M	3KC7
7/11/45	Nap,Son-49,51-B,A	Bet Napa & Oakville & Bet Santa Rosa & Beltane	Surf	7.5	S-M	4KC7
7/11/45	SCl-2-C	Bet Gilroy & 4 mi southerly	Surf	2.4	S-R	4TC17
7/11/45	SLO-2,33-BA,BC	Bet Del Rio Ave and Templeton & bet Paso Robles & Monterey Co line & Bet Estrella Riv and Cottonwood Pass Rd	Surf	17 4	S-M	5KC2
7/11/45	Iny-23-C,D	Bet Fish Cr and Bishop	Surf	6.2	S-R	9VC3
7/12/45	Gle-7-Wlos,BC	Bet Oak St in Willows and Orland	Surf	1 3	S-R	3TC20-P
7/12/45	Yol,Col-7-C,A	Bet Bretona and Genevra	Surf	1.7	S-M	3KC9
7/12/45	L A -Access Rd-ESeg	Bet Main St and Sepulveda Blvd [1]	Gr and Surf	1 1	A	7ASC13
7/12/45	Mrn-1-SRf,C	Bet San Rafael and San Quentin Wye	Gr and Surf	0.5	S-R	4TC18
7/18/45	Sha-3-B,C	Bet Bass Hill and Crespos	Seal Coat	14 0	S-M	2KC8
8/ 1/45	Ker-Access Road	Rte 23 to 8 mi E Inyokern	Surf	12.2	A	9ASC5
8/ 1/45	Sol-Access Road	Bet Vallejo and Rte 7	Pave	0.9	A	10ANC10
8/ 2/45	L A -4-Brb	Bet Orange Grove Ave and San Fernando Blvd	Gr and Pave	0.6	A-S	7AVC1
8/14/45	Tuo-40-B	Across Tuolumne Riv-10 mi W Groveland	Repair Bridge	------	S	14WLC25
8/16/45	S D -2-D	Across San Mateo Cr-18 mi N Oceanside[2]	R C Bridge	------	FAP	14VC6
8/22/45	Men-56-F	At Blue Slide Gulch	Gr Surf and Br	0 19	S	1WLC2-P
8/22/45	Col-15-Wms,A	Williams to 2 8 mi easterly	Surf	2 8	S-M	3KC10
8/22/45	Ker-33-C	Lost Hills to Wasco	Surf	4 7	S-R	6XC6
8/23/45	Yub-3-A	Wheatland to Morrison Crossing	Surf	2 4	S-M	3KC11
8/30/45	Nev-38-A	Across Truckee Riv-1 mi N Polaris	Repair Bridge	------	----------	----------
8/30/45	Ora-2-C	2 5 mi S Tustin	R C Culverts	------	S	7VC14
9/ 5/45	Mod-28-B	Bet Adin and Alturas	Repair Bridge	------	----------	----------
9/ 5/45	Sha-28-B	Bet 1 6 mi W. Round Mountain and 0 3 mi W Montgomery Cr	Surf	2 8	S-R	2TC10
9/12/45	Hum-1-D	At Shively Bluffs-9 mi S Scotia	Bank Protection	------	S-M	1JC3
9/12/45	Sis-3-B,C	Bet Gazelle and Klamath River	Surf	1 9	S-R	2TC11
9/12/45	Ala,C,C-69-Alb, Ecr,Rch	Bet El Cerrito Hill Overhead and Rte 14	Surf	1.4	S-R	4WMC5-P
9/12/45	S J -97-B	Across Mokelumne River-1 mi N Clements	Repair Bridge	------	S-C	14WCLC26
9/13/45	S D ,Ora-2-D,SCle	Bet Las Flores Cr and San Clemente[3]	Gr and Pave	9 5	FAP	11VC5
9/19/45	Men-56-B	At Alder Creek, about 7 mi N. of Point Arena	Gr. Surf and Br.	1 2	S-PW	1WLC3
9/20/45	Iny-127-K	Beatty Road to E boundary Death Valley National Monument	Surf	0 8	S-R	9XC1
9/26/45	S B -2-Q,G	Bet Fairview Ave and Tecolote Creek[4]	Gr and Surf	4.7	FAP-PW	5VC5
9/28/45	Sha-28-A	Near Churn Creek about 3 5 mi northeast of Redding	R C Culvert	------	S	2TC12
10/ 1/45	Ven-151-D	Across San Antonio Creek about 1 mi E of Ojai	Repair Bridge	------	S	14XLC4
10/ 2/45	Ala-5-A	Near Greenville	Truck Scales	------	----------	----------

[1] R/W acquired by city

[2] See #132 R/W Tab

CONTRACTS OPENED JUNE 30, 1945, TO JANUARY 29, 1947—Continued

Contractor	Award date	Completion date	Contract allotment	Contract expenditures to 6/30/46	Final cost or estimate expense to 6/30/47	Estimate expense to complete	Estimate of right of way expense to 6/30/47	Estimate right of way expense to complete
John Burman & Sons	7/ 9/45	7/20/46	21,099	19,312	19,312	0	633	0
Clements & Co	7/ 9/45	8/16/45	34,273	30,029	30,029	0	0	0
A Teichert & Co	7/24/45	10/28/45	103,650	99,439	99,439	0	0	0
Wm. E Thomas Const Co	7/13/45	10/23/45	11,241	9,475	9,475	0	5	0
C C Gildersleeve	7/17/45	12/ 4/45	11,701	10,452	10,452	0	0	0
J Henry Harris	7/16/45	9/14/45	22,093	22,038	22,038	0	0	0
Clements & Co	7/20/45	9/18/45	53,374	52,059	52,059	0	0	0
A Teichert & Co	7/20/45	8/ 8/45	36,237	35,172	35,172	0	0	0
A A Tieslau & Son	7/20/45	9/24/45	50,511	44,057	44,057	0	0	0
Granite Const Co	7/24/45	8/31/45	28,180	25,943	25,943	0	0	0
Granite Const Co	7/20/45	10/10/45	46,499	45,927	45,927	0	0	0
Basich Bros Const Co	7/16/45	11/16/45	76,924	75,047	75,047	0	0	0
E. B Bishop	7/24/45	9/ 5/45	14,501	13,590	13,590	0	0	0
N M Ball Sons	7/20/45	9/ 7/45	13,662	11,279	11,279	0	0	0
Vido Kovacevich Co	7/24/45	11/24/45	49,446	49,353	49,353	0		
E A Forde	7/23/45	9/ 4/45	11,147	9,703	9,703	0	0	0
J Henry Harris	7/24/45	10/ 5/45	18,876	18,524	18,524	0	0	0
Lewis Const Co	8/ 4/45	12/21/45	87,781	82,330	82,330	0	0	0
Sheldon Oil Co	8/ 4/45	10/27/45	49,702	46,152	46,152	0	0	0
Chas J. Dorfman	8/10/45	1/30/46	44,700	42,785	42,785	0	15,000	0
James H McFarland	8/22/45	9/26/45	2,985	2,425	2,425	0	0	0
Oberg Bros	8/25/45	7/22/46	161,553	121,131	140,199	0		
John Burman & Son	8/29/45	11/14/46	74,775	35,001	71,825	0	750	0
Harms Bros	8/25/45	9/22/45	19,608	18,839	18,839	0	0	0
Oilfields Trucking Co	8/25/45	12/15/45	72,248	67,839	67,839	0	0	0
Lester L. Rice	8/28/45	9/25/45	13,940	13,136	13,136	0	0	0
(H W Ruby) Rejected	9/ 7/45							
Wm E Thomas Const Co	9/ 7/45	2/21/46	20,220	17,710	17,710	0	0	0
(Clifford A Dunn) Rejected	9/12/45							
Harms Bros	9/12/45	12/ 3/45	49,425	45,853	45,853	0	0	0
Mercer-Fraser Co	9/18/45	11/ 4/46	50,768	16,021	47,143	0	0	0
Clements & Co	9/26/45	12/11/45	34,459	32,407	32,407	0	0	0
Louis Biasotti & Son	9/18/45	10/20/45	43,981	33,061	33,061	0	0	0
Lord & Bishop	9/13/45	9/28/45	5,065	4,382	4,382	0	0	0
N M Ball Sons	9/21/45	10/26/46	685,124	468,938	675,076			
Guerin Brothers	9/25/45	2/ 1/47	202,385	131,906	202,060	0	0	0
Vinnell Company	9/27/45	11/17/45	13,609	11,493	11,493	0	0	0
Dimmitt and Taylor	10/ 5/45	2/ 1/47	514,562	305,152	505,200	0		
Irrigation Supply Company	10/ 5/45	1/ 1/46	2,079	1,980	1,980	0	0	0
F. Fredenburg	10/ 8/45	1/15/46	11,046	11,418	10,418	0	0	0
(Edward Keeble) Rejected	10/ 2/45							

[3] See ‡132 R/W Tab

[4] Item ‡65 R/W Tab

CONTRACTS OPENED JUNE 30, 1945, TO JANUARY 29, 1947—Continued

Date of bid opening	Co, Rte, Sec	Description	Type	Length	Classification	Contract No
10/ 2/45	S D -2-F	Bet N city limits of Chula Vista and S city limits of National City	Surfacing	0 6	S-R	11XC8
10/16/45	Cal-65-B	About 9 mi N of Angels Camp	R C Cattlepass			
10/18/45	E D -65-B	Across S Fork of American River near Lotus	Repair Bridge		S-M	14KC1
10/18/45	L A ,Ora-174-B,A	Bet Carmenita Road and Orangethrope Ave	Surf	2 9	S-M	7KC5
10/18/45	L A -4-Brb	Bet Burbank Blvd and Orange Grove Ave	Gr and Pave	0 5	A-S	7AVC2-P
10/23/45	C C Sol -7,14-A F	Adjacent to southerly and northerly ends of Carquinez Bridge	Fences		S	COF-3
10/23/45	S D -2-Oen	In Oceanside at Hill St and Second St	Signals		S	11VMC4-P
10/24/45	Ker-4-A	Along Grapevine Creek near Grapevine Station	Repair Flume		S-M	6JC1
10/24/45	Cal-24-Ang	Across Angels Creek in City of Angels	R C Bridge	0 2		
10/25/45	Riv SBd-Various	Various locations in Riverside and San Bernardino Counties	Pt Maint Bldgs		S-M	8KC4
10/31/45	Sol-Acc Rd -Ben	In Benicia, on various city streets	Gr Surf	3 0	A	10ANC11
10/31/45	Mod-B	Bet Cornell and Stronghold	Culverts		S	2WC3
11/ 7/45	C C -106-E,Cnd,C	Bet Concord and 0 4 mi W of Ohmer Station	Gr and Pave	2 3	A	
11/ 7/45	Tul-4-A	At White River Sink, 2 mi S of Eadmart	R C Br & Apprs	0 14	S	
11/14/45	Sha-28-A	At Seamans Gulch about 1 mi W of Ingot	Culv, gr & Surf	0 8	S	2TLC2
11/20/45	Mrn-1-SRf,C	Bet Irwin St in San Rafael and Auburn St	Guard rail	0 5		
11/28/45	SCl-2-E	At Ford Road, about 6 mi S of San Jose[5]	Undercrossing		FAP-PW	14TC2-F
11/28/45	SCl-2-E	Across Coyote Creek and at Coyote Rd about 6 mi S of San Jose[6]	Br & Undercrossing		FAP-PW	14TC3-F
11/28/45	Sol-7-Vac-D	Bet Ulatis Creek and Midway	Gr Pave & Brs	6 0	FAP-PW	10TC8-F
11/29/45	S D -77-SD	Across San Diego River[7]	R C Bridge		FAP-PW	14XC7-F
11/29/45	Riv-19-A	Bet Mira Loma and 2 5 mi W of Riverside[8]	Gr and Surf	5 9	FAP-PW	8VC6-F
11/29/45	S D -2-Oen, C	Bet San Luis Rey River and 0 2 mi N of Aliso Creek[9]	Widen and pave	4 9	FAP	11VC7-F
11/29/45	S D -77-S D	At Date St, Upas St and Quince St[10]	3 overcrossings		U-PW	14XC6-F
11/29/45	Yol-6-A	At State Highway Nursery	Drill well			
12/ 4/45	X-e C-11-A	At Antioch Bridge	Move Tollhouse			
12/ 5/45	III-Sac-3-B	On N Sacramento Freeway, bet N Sacramento Viaduct and 0 5 mi E of Ben Ali	Gr Pave & Structures	4 1	FAP-PW	3TC21-F
12/ 5/45	IX-Ker-58-G	Bet Cameron and Mojave[11]	Gr & Surf	7 2	FAP-PW	9XC2-F
12/ 5/45	IX-Ker-58-G	Across Los Angeles Aqueduct and Cache Creek, bet 3 5 mi and 4 5 mi W of Mojave[11]	2 Bridges		FAP-PW	14XC8-F
12/ 6/45	VII-L A-2-L A	Santa Ana Parkway bet Kearney and Soto Sts[12]	Gr & Pave	1 6	U-PW	7VC16-F
12/ 6/45	VII-L A-2-L A	Santa Ana Parkway at Fourth St[12]	Overcrossing		U-PW	14VC11-F
12/ 6/45	VII-L A-2-L A	On Santa Ana Parkway at Seventh St[12]	Overcrossing		U-PW	14VC8-F
12/ 6/45	VII-L A-2-L A	Hollywood Parkway at Benton Way[13]	Overcrossing		U-PW	14VC10-F
12/ 6/45	VII-L A-2-L A	Hollywood Parkway at Rosemont Ave	Overcrossing			

[5] See R/W Tab No 39
[6] See R/W Tab No 39
[7] See R/W Tab No 116
[8] See R/W Tab No 105A
[9] See R/W Tab No 132

CONTRACTS OPENED JUNE 30, 1945, TO JANUARY 29, 1947—Continued

Contractor	Award date	Completion date	Contract allotment	Contract expenditures to 6/30/46	Final cost or estimate expense to 6/30/47	Estimate expense to complete	Estimate of right of way expense to 6/30/47	Estimate right of way expense to complete
R. E Hazard & Son Contracting Co	10/11/45	11/10/45	12,591	11,268	11,268	0	0	0
(James H McFarland) Rejected	10/22/45							
C. C Gildersleeve	10/25/45	1/28/46	8,161	7,326	7,326	0	0	0
Griffith Company	10/25/45	12/19/45	26,040	21,645	21,645	0	0	0
Jesse S Smith	10/31/45	5/23/46	102,957	102,957	102,957	0	5,000	0
California Wire Cloth Corporation	10/27/45	4/17/46	2,150	1,635	1,635	0	0	0
Tri-Cities Electrical Service	10/31/45	2/ 5/46	6,612	6,500	6,500	0	0	0
George Von Kleinsmid	10/27/45	6/22/46	94,580	92,138	92,138	0	0	0
(Fredrickson Bros) Rejected	10/29/45							
Angelus Waterproofing and Paint Company	10/30/45	2/ 7/46	23,335	21,486	21,486	0	0	0
Parish Brothers	10/ 8/45	7/11/46	51,000	46,266	46,599	0	0	0
Clifford A Dumm	11/ 2/45	12/22/45	20,535	18,978	18,978	0	0	0
(Gunner Corporation) Rejected	1/ 2/46							
(Griffith Co) Rejected	11/16/45							
A A Treaslau & Son	11/21/45	10/15/46	130,596	65,835	123,737	0	200	0
(Lichfield Const Co) Rejected	11/26/45							
Earl W Heple	12/ 5/45	2/ 1/47	68,282	20,582	63,144	0		
Earl W. Heple	12/ 5/45	4/ 1/47	288,495	34,261	269,761	0		
Fredrickson Brothers	12/ 6/45	5/12/47	576,980	156,270	561,382	0	87,490	387
Harry L Foster	12/13/45	12/11/46	193,400	81,529	178,002	0		
George Herz and Company	12/18/45	4/ 4/47	709,138	330,574	677,477	0		
Basich Brothers Construction Co and Basich Brothers	12/ 8/45	2/ 1/47	610,643	175,580	604,460	0		
M H Golden Construction Co	12/ 6/45	1/31/47	171,342	64,191	158,825	0		
(W L Kirchgater) Rejected	12/ 8/45							
(M A Jenkins) Rejected	12/20/45							
Guy F Atkinson Co	12/20/45	10/22/47	1,800,102	97,663	1,500,000	256,000	145,446	13,880
Gunner Corporation	12/12/45	8/ 9/46	225,922	164,846	215,834	0		
E. W. Elliott Construction Co	12/12/45	2/ 1/47	98,292	46,373	89,736	0		
Peter Kiewit Sons' Co	1/14/46	10/ 1/47	1,435,325	286,293	1,250,000	185,325		
Byerts & Dunn	1/ 5/46	2/ 1/47	145,204	51,222	145,204	0		
Byerts & Dunn	1/11/46	3/ 5/47	239,821	17,554	239,821	0		
Byerts & Dunn	2/ 4/46	5/10/47	149,482	0	149,482	0		
(Oberg Bros), Rejected	1/28/46							

[10] See R/W Tab No 116.
[11] See R/W Tab No 111
[12] See R/W Tab No 82
[13] See R/W Tab No 81

CONTRACTS OPENED JUNE 30, 1945, TO JANUARY 29, 1947—Continued

Date of bid opening	Co, Rte, Sec	Description	Type	Length	Classification	Contract No
12/12/45	I-Men-1-J	Across Rock Creek about 25 mi. S of Garberville	R C Bridge			
12/12/45	III-Yub,Sut-3-Mvl, Y C	Across Feather River at Marysville & Yuba City & over S P, R R [14]	3 structures	0.9	U-PW	14TC5-F
12/12/45	IV-SCl-2-SJs,E	Bet San Jose and 0 6 mi S of Ford Rd [15]	Gr & Pave	8.1	FAP-PW	4TC20-F
12/12/45	V-S B-2-Q	Bet Hollister Wye and Fairview Ave [16]	Gr Surf & 2 Bridges	3.7	FAP-PW	5VC6-F
12/12/45	VI-Fre-41-P	Bet 2 mi E of Mendota & 2 mi W of Tranquility Rd (portions only)	Replace 15 Bridges	1.7	S-PW	14WLC27
12/13/45	VIII-SBd-26-Rld	In city of Redlands bet State St and E City Limits	Gr & Pave	2.8	U-PW	8VC-7F
12/13/45	XI-S D-77-G	Across San Luis Rey River and Keys Canyon Creek about 17 mi E of Oceanside	2 Bridges			
12/13/45	XI-S D-200-D	Across Campo Creek about 6 mi W of Campo	Bridge		S	14XLC5
12/18/45	X-Sac,C C-11-C,A	San Joaquin River Bridge, 5 mi N of Antioch	Repair Br fenders		S	14WC3
12/19/45	II-Las-29-D	Bet 1 5 mi W of Bird Flat and Doyle	Gr & Surf	7.5	FAP-PW	2WC4-F
12/19/45	X-Sol-7-D,I	Bet Midway and 1 3 mi N of Dixon	Gr Pave	6.1	FAP-PW	10TC9-F
12/20/45	VIII-SBd-26-D,Ria	Bet Mulberry St and Colton [17]	Gr Pave & Br	9.8	FAP-PW	8XC5-F
12/20/45	XI-S D-2-C	Over A T & S F Ry 1 mi N of Oceanside [18]	Overcrossing		FAP	14GVC1
12/26/45	I-Hum-20-A	At Mad River	Bridge		FAP-PW	14WLC28-F
12/26/45	III-Pla-37-Aub	Over S P Co Tracks in City of Auburn [19]	Overcrossing		FAP-PW	14TC6
12/26/45	III-Pla-37-Aub	Across E St in City of Auburn [19]	Undercrossing		FAP-PW	14TC4-F
12/26/45	III-Pla-37-Aub	At Walsh St in City of Auburn [19]	Undercrossing		FAP-PW	14TC7-F
12/26/45	VI-Fre-4-B,Fre	Bet Calwa Overpass and Fresno	Gr & Pave	2.1	FAP-PW	6TC3-F
1/ 3/46	XI-S D-77-S D	A St 0 4 mi S of Mission Valley Rd [20]	Gr & Pave	2 9	U-PW	11XC9-PF
1/ 8/46	X-Sac-53-C	Across Sacramento River at Rio Vista	Repair Br		S	14WLC29
1/ 9/46	IV-Son,Mrn-1-C,A	Bet 1 mi S of Petaluma and Ignacio Wye	Gr Pave, 2 Brs	11.9	FAP-PW	4TC21-F
1/ 9/46	V-Mon-2-J	Between Santa Rita and 0 8 mi N. of Crazy Horse Summit [21]	Gr & Surf	8.4	FAP-PW	5TC4-F
1/16/46	II-Teh-3-C	Bet 6 mi N of Red Bluff and Shasta Co Line	Gr & Surf	7.1	FAP-PW	2TC13-F
1/16/46	II-Teh-3-D	At various locations bet Los Molinos and Red Bluff [22]	5 Bridges		FAP-PW	14TC8-F
1/16/46	III-Col-7-A,B	Bet 3 mi N of Arbuckle and 4 mi S of Williams [23]	Gr & Surf	3.3	FAP-PW	3TC22-F
1/16/46	IV-S M-68-S M	Over Bayshore Freeway at Peninsular Ave [24]	Overcrossing		U-PW	14TC9-F
1/16/46	VI-Kin-125-D	Bet 5th Standard Parallel and 1 5 mi N	Gr & Surf	1.5	S-PW	6WC4
1/16/46	X-S,J-5-B	Bet Grant Line Rd and Mossdale [25]	Gr. & Pave	3.8	FAP-PW	10TC10-F
1/23/46	X-S,J-5-B	Across Paradise Cut and Paradise Cut Overflow [25]	2 Bridges		FAP-PW	14TC10-F

[14] See R/W Tab No 23
[15] See R/W Tab No 39.
[16] See R/W Tab No 65
[17] See R/W Tab No 106
[18] See R/W Tab No 132.
[19] See R/W Tab No 31A.

CONTRACTS OPENED JUNE 30, 1945, TO JANUARY 29, 1947—Continued

Contractor	Award date	Completion date	Contract allotment	Contract expenditures to 6/30/46	Final cost or estimate expense to 6/30/47	Estimate expense to complete	Estimate of right of way expense to 6/30/47	Estimate right of way expense to complete
(Fred J Maurer & Son), Rejected	12/20/45							
J H Pomeroy & Co, Inc	12/19/45	8/ 1/47	1,989,500	361,189	1,670,000	319,500		
N M Ball Sons	12/21/45	1/23/47	1,301,522	491,714	1,301,522	0		
Dimmit & Taylor	1/ 8/46	2/15/47	543,081	153,440	543,081	0		
Dan Caputo & Edward Keeble	12/21/45	10/23/46	213,126	93,906	194,169	0	0	0
Matich Bros	12/21/45	10/22/46	335,297	108,496	316,730	0	41,402	
(Spencer Webb), Rejected	12/20/45							
Walter H Barber	1/ 8/46	2/ 1/47	83,700	20,863	83,700	0	200	0
H F Lauritzen	12/26/45	2/ 8/46	8,484	7,151	7,151	0	0	0
The Utah Construction Co	1/17/46	9/13/46	241,140	138,251	236,728	0	5,100	0
Fredrickson Bros	1/17/46	9/19 47	1,117,291	254,239	1,000,000	117,291	139,178	0
Griffith Co	12/28/45	5/20/47	1,482,883	509,320	1,482,883	0		
Fred D Kyle	12/28/45	2/ 1/47	100,000	18,960	100,000	0		
Mercer-Fraser Co	1/ 5/46	1/30/47	215,600	49,907	215,600	0	6,973	0
H W Ruby	1/ 8/46	2/ 1/47	99,277	23,850	99,277			
H W Ruby	1/ 5/46	1/ 1/47	64,701	29 116	60,100	0		
Wm E Thomas Const Co	1/ 5/46	11/ 6/46	39,395	16,601	30,000	0		
Marshall S Hanrahan	1/17/46	12/ 5/46	375,015	173,866	372,500	0	230,742	0
Mittry Bros Const Co	1/11/46	8/23/47	1,474,517	224,965	1,300,000	174,517		
Kiss Crane Co	1/11/46	3/26/46	9,922	9,872	9,872	0	14,700	0
A G. Raisch & Harms Bros	1/17/46	5/24/47	1,680,100	201,151	1,680,100	0	148,645	26,855
A Teichert & Son, Inc	1/17/46	4/ 4/47	844,927	204,265	844,927	0		
Oilfields Trucking Co & Phoenix Construction Co	1/21/46	5/26/47	539,673	93,836	539,673	0	24,884	0
J D Proctor Inc and Draglines Rentals Co	1/22/46	5/ 1/47	399,888	3,228	399,888	0		
Harms Bros	2/ 6/46	12/ 5/46	235,075	93,144	220,000	0		
Macco Construction Co	1/22/46	3/ 8/47	299,204	2,398	299,204	0		
W C Railing	1/21/46	5/28/46	75,136	64,569	65,584	0	435	
M J B Construction Co	1/24/46	1/13/47	399,591	111,206	399,591	0		
Stockton Construction Co	1/29/46	1/31/37	125,996	26,403	125,996	0		

[20] See R/W Tab No 136
[21] See R/W Tab No 14
[22] See R/W Tab No 14
[23] See R/W Tab No 31C
[24] See R/W Tab No 34
[25] See R/W Tab No 62

CONTRACTS OPENED JUNE 30, 1945, TO JANUARY 29, 1947—Continued

Date of bid opening	Co., Rte., Sec	Description	Type	Length	Classification	Contract No.
1/23/46	X-Sol-Waterfront Rd -	Bet Virgina St and Santa Clara St in Vallejo[25]	Gr & Pave	0.3	A	10ANC12
1/31/46	III-Yub-6-A	At State Highway Nursery, 3 mi E of Davis	Drill Well		S	
2/ 7/46	VII-L A-Access Rd-L A	On Terminal Island Freeway over U P R R tracks[27]	Overcrossing		A	14ASC2
2/13/46	IX-Ker-23-D	At Freeman Gulch[28]	Bridge		FAP-PW	9VC4-F
2/13/46	III-E D-11-B	Shingle Springs to 1 25 mi W. of El Dorado[29]	Gr. & Surf	3 4	FAP-PW	3TC23-F
2/14/46	VII-L A-2-L A	On Santa Ana Parkway over ramp 4 of Ramona Parkway[30]	2 overcrossings		U-PW	14VC9-F
2/14/46	VII-L A-Acc Rd -L A	Over tracks of U P, S P., & P E at Anaheim St[31]	Overcrossing		A	14ASC3
2/14/46	XI-S D-77-S D	Over Balboa Parkway at Richmond St[32]	Overcrossing		U-PW	14XC9-F
2/19/46	X-Sol-100-A	An existing ferry moored on Sacramento River near Rio Vista	Repair ferry		S	14WC4
2/21/46	VII-L A-Acc Rd -L A, LBch	On Terminal Island Freeway, Henry Ford Ave to Willow St[33]	Gr & Pave	2.1	A	7ASC14
2/21/46	VIII-SBd-26-A	Across Mission Storm Drain	Widen Bridge		S	14VC12
2/25/46	VII-Ora-2-SCle	Intersection of Rte 2 and Avenida Del Mar in San Clemente	Signals		S	7VC17
2/27/46	IV-C C-75,106-E,Cnd,C	Bet Concord Ave and 0 4 mi W of Ohmer Sta	Gr & Pave	2 3	A-S	{4WC21-S {4AWC2-P
2/27/46	X-Sol-208-A	Across Napa River at W City Limits of Vallejo	Repair Bridge		S	14WC5
3/ 6/46	IV-Ala-5,69-C,A	Bet Warm Sprs & Mission San Jose & bet Warm Sprs & Centerville	Surface	8 3	S-R	4WC22-P
3/ 6/46	IV-Ala-69-Oak	In Oakland, bet Distribution Structures and Seventh St	Surface	1 4	S	4TMC3
3/ 6/46	V-Mon-2-B	Bet 2 mi S of Salinas & Salinas	Gr & Pave	1 9	FAP-PW	5TC5-F
3/ 7/46	VII-L A-168-C	Bet Huntington Dr and Colorado St	Gr & Pave	1.1	FAP-PW	7XC15-F
3/17/46	XI-S D-78-D,E	Across Matagual Valley Cr, Canada Verde Cr and Acorn Cr	3 Bridges		S	14XC10-F
3/13/46	IV-SCl-68,2-SJs	On the Bayshore Freeway at Santa Clara St[34]	Structure		U-PW	14TC11
3/14/46	VII-L A-Access Rd - L A.	On Anaheim St appr Rd from Terminal Island Frwy & Nicholson Ave[35]	Overcrossing		A	14ASC4
3/14/46	VII-L A, 60-L A, G, LBch	Bet Dominquez Channel and San Gabriel Ave[35a]	Gr Pav 4 Brs	0.7	A	7AVC3
3/20/46	I-Lak-89-E	Bet 1 2 mi N of Rodman Narrows and Rte 15[36]	Gr and Surf	2 0	S-PW	1WC10
3/20/46	II-Sis-3-Yre,C	Bet Yreka and Camp Lowe	Surfacing	13 3	S-R	2TC14-P
3/21/46	VIII-SBd-26-D	Bet Vineyard Ave and Etiwanda Ave	Gr Pave, 4 Br	5.7	FAP-PW	8XC6-F
3/21/46	V-Mon-10-C	At Priest Valley Maint Sta, about 23 mi E of San Lucas[37]	Drill Well			
3/27/46	I-Lak-89-D	Across Kelsey Creek at Kelseyville	Bridge and Apprs			
3/27/46	I-Men-16-A	Across Dooley Creek about 1mi E of Hopland	Bridge and Apprs	0 1	S-PW	14TLC9
3/27/46	II-Sis-3-B	Weed to Yreka (Por)	Surf	20 4	S-R	2TC15
3/27/46	X-Mer-4-C	Black Rascal Canal to Buhack Station	Gr Pave 4 Brs	3 8	FAP-PW	10TC11-F
3/28/46	XI-S D-78-A	Across Samagatuma and Descanso Creeks, near Descanso	2 Bridges		S	14XLC6-PF

[26] R/W city and access funds
[27] See R/W Tab No TJ
[28] See R/W Tab No 110.
[29] See R/W Tab. No 24
[30] See R/W Tab No 82
[31] See R/W Tab No TI
[32] See R/W Tab No 116

CONTRACTS OPENED JUNE 30, 1945, TO JANUARY 29, 1947—Continued

Contractor	Award date	Completion date	Contract allotment	Contract expenditures to 6/30/46	Final cost or estimate expense to 6/30/47	Estimate expense to complete	Estimate of right of way expense to 6/30/47	Estimate right of way expense to complete
C M Syar	2/ 4/46	6/21/46	34,000	25,761	31,903	0	12,500	0
Western Well Drilling Co, Rejected	3/ 1/46							
Macco Construction Co	4/18/46	5/ 9/47	679,077	41,671	679,077	0		
E W Elliott Const Co	2/19/46	3/ 1/47	85,869	19,922	85,869	0		
Utah Construction Co	2/19/46	5/ 1/47	277,253	51,652	277,253	0		
The Constructing Engineers Co	3/29/46	5/15/47	141,513	4,680	141,513	0		
E W Elliot Const Co	4/18/46	10/15/47	996,292	22,968	785,000	211,292		
M H Golden Const Co	2/20/46	2/ 1/47	66,206	14,908	66,206	0		
Colberg Boat Works	2/27/46	5/17/46	6,999	6,999	6,999	0	0	0
Macco Construction Co	4/18/46	10/ 8/47	1,377,264	106,144	1,269,000	108,264		
Carl Broome	3/ 5/46	7/20/46	12,655	7,498	10,013	0	0	0
C D Braucker Co	3/ 1/46	7/26/46	4,950	0	4,714	0	0	0
Guy F Atkinson Co	3/13/46	1/10/47	115,168	0	115,168	0	62,400	0
			139,542	48,179	139,542	0		
Healy Tibbitts Const Co	3/ 1/46	4/30/46	14,680	13,269	13,269	0	0	0
A S Jones	3/11/46	6/26/46	46,119	31,887	46,119	0	0	0
Lee J Immel	3/11/46	8/19/46	163,847	97,186	150,175	0	0	0
Granite Construction Co	3/20/46	11/21/46	246,459	49,294	245,859	0	28,500	0
Griffith Co	3/29/46	9/13/46	138,916	31,799	128,067	0	95,500	0
O'Rourke & Parker	4/ 3/46	9/ 5/46	41,311	21,767	40,307	0	0	0
Fredrickson & Watson Const, Co	4/ 1/46	4/15/47	416,001	33,409	416,001	0		
Oberg Bros	4/25/46	6/ 3/47	315,311	2,137	315,311	0		
James I Barnes Construction Co	4/25/46	8/ 1/47	1,949,274	20,803	1,556,000	393,274		
Louis Biasotti & Son	3/26/46	12/26/46	180,420	43,983	180,420	0		
Clements & Co	3/25/46	10/ 7/46	182,477	35,123	178,341	0	0	0
Matich Bros	3/29/46	2/1/47	520,121	36,307	520,121	0	0	0
No bids received								
(Kiss Crane Company) Rejected	4/ 1/46							
F Fredenburg	4/25/46	9/30/46	42,702	4,135	42,702	0	1,160	40
Clements & Co and Milo A Browne	4/ 3/46	10/23/46	183,849	52,536	183,799	0	11,600	0
Gunner Corp	4/ 9/46	6/ 1/47	451,365	29,368	451,365	0	78,042	2,058
Oberg & Cook	4/25/46	1/23/47	93,904	13,802	93,904	0	0	0

[3] See R/W Tab No TI
[4] See R/W Tab No 39
[35] See R/W Tab No TI
[36] See R/W Tab No TI
[6] See R/W Tab No 10C
[37] See R/W Tab No 106

CONTRACTS OPENED JUNE 30, 1945, TO JANUARY 29, 1947—Continued

Date of bid opening	Co., Rte., Sec	Description	Type	Length	Classification	Contract No
4/ 3/46	II-Sha-28-B	Bet 4 5 mi E of Ingot and Montgomery Creek	Surf	9 7	S-R	2TC16
4/ 3/46	VI-Ker-33-C	Bet Los Hills and Wasco	Surfacing	4 7	S-R	6XC7
4/ 4/46	III-Yol-6-A	At State Highway Nursery, 3 mi E of Davis	Drill Well		S-M	3MC1
4/10/46	I-Hum-1-G	Bet. Loleta and Fields Landing	Surf	4 0	S-R	1TC11
4/10/46	II Las-73-B	Bet Viewland and Secret Valley	Surf	13 8	S-R	2WC5
4/10/46	II-Sis-3-B	Bet Shasta River and Gazelle	Surf	7 8	S-R	2KC9
4/10/46	IV-C C-75-C,D	Bet Pittsburg and 4 mi E of Brentwood	Surf	10 1	S-R	4WC23
4/10/46	VI-Ker-4-C,Bkd	Bet Brundage Lane and 24th St [38]	Gr and Pave	1.9	U-PW	6VC5-FP
4/11/46	XI-S D-77-S D,A	Bet 0 4 mi S Mission Valley Rd and 0 5 mi N S D C L [39]	Gr and Pave	4 1	U-PW	11XC10-F
4/17/46	II-Sis-72-B,C	Bet Cougar and Dorris	Seal Coat	31 7	S-M	2KC10
4/16/46	II-Sis-3-A	At Dunsmuir	Drainage		S	2TC17
4/18/46	VII-L A-26-L A	Bet Macy St and Indiana St	Drainage Correction Fences	1 9	S	7XC16
4/18/46	XI-S D-77-G	At San Luis Rey River and Keys Canyon Cr	2 Bridges		S	14XC12
4/23/46	VI-Ker-4-A	Bet 1 6 mi and 1 25 mi S Grapevine Station	Traffic Deflector		S	6VC6
/24/46	I-Hum-1-J	Bet Patrick's Point and Big Lagoon	Surf	3 4	S-R	1TC12
4/24/46	I-Men-56-A	At Slick Rock Cr	Grade	1 0	S	1WLC4
4/24/46	II-Plu-F S-523	Across Hamilton Bridge bet Big Meadows Dam and Lassen County Line	Bridge		FAS	14DC1
4/25/46	VII-Ora-60-A, SlB	Bet Los Patos Ave in Sunset Beach and Second St in Seal Beach	Surf	2 3	S-R	7VC18
4/25/46	XI-Riv-64-C,D	Bet 6 mi E Desert Center and Hopkins Well	Surf	10 4	S-R	11VC8
4/30/46	VI-Ker-4-D,E	Bet Standard Oil Tank Farm and Cawelo	Barrier Posts		S	6VC7
5/14/46	I-D M-1-B	Bet 6 3 mi and 2 6 mi S Crescent City	Surf	3 7	S-R	1TC13
5/ 1/46	I-Lak-89-E	Across Robinson and Scott Cr [40]	2 Bridges		S-PW	14WLC30-P
5/ 1/46	X-Mer-32-C	Bet San Joaquin River and Madera County Line	Surf	3 0		
5/ 1/46	X-S J-5-A,Tra	Bet Bryon Rd and Banta Rd	Surf	5.5	S-R	10TC12-P
5/ 8/46	I-Men-1-F	Bet. Willits and 2 6 mi Northerly	Surf	2 6	S-R	1TC14
5/ 8/46	II-Mod-FAS 513-B,C,D	Bet Eagleville and 4 mi N Lake City	Surf	29 5	FAS	2DC2
5/ 8/46	II-Sis-FAS 753-A	Bet Rte 72 and 4 mi W Hatfield	Grade and Base	15 6	FAS	2DC1
5/ 8/46	III-But-3-B,Chc	Bet Oroville Wye and Nelson—bet Durham R R Xing and Chico bet Big Chico Cr and Sixth St in Chico	Surf	11.8	S-R	3TC24-P
5/ 9/46	VII-Ora-60-C	Bet Dana Point and Doheny Park [41]	Widen and Surf	0 4	FAP-PW	14VC13-F
5/ 9/46	VIII-SBd-207-A	Bet Highland Ave and City Cr. Br [42]	Gr and Surf	3.2	S-PW	8XC7-F
5/14/46	II-Tri-29-A	Across Hayfork Cr—58 mi W Red Bluff	Bridge		S	14WLC31
5/15/46	III-Pla,Nev,Yub-3,15, 37,38-Var	Various locations	Seal Coat	35.2		
5/15/46	III-But, Col, Gle, Sac, Sut, Yol-87,15,7,47, 4,54,87,50-Var	Various locations	Seal Coat	34 9		

[38] See R/W Tab No 72
[39] See R/W Tab No 116
[40] See R/W Tab No 10C

CONTRACTS OPENED JUNE 30, 1945, TO JANUARY 29, 1947—Continued

Contractor	Award date	Completion date	Contract allotment	Contract expenditures to 6/30/46	Final cost or estimate expense to 6/30/47	Estimate expense to complete	Estimate of right of way expense to 6/30/47	Estimate right of way expense to complete
W. C Railing	4/26/46	8/ 2/46	70,343	30,476	67,783	0	0	0
Oilfields Trucking Co and Phoenix Constr Co	4/ 8/46	6/20/46	25,179	21,072	25,179	0	0	0
R L Norris	4/15/46	5/11/46	2,596	1,880	1,880	0	0	0
Mercer-Fraser Co	4/16/46	9/ 3/46	97,118	49,344	93,728	0	0	0
E B Bishop	4/16/46	8/26/46	124,300	5,756	121,479	0	0	0
Clements & Co	4/18/46	9/ 9/46	27,959	251	23,436	0	52	0
Lee J Immel	4/25/46	10/13/46	84,416	18,217	82,238	0	0	0
Griffith Company	4/25/46	2/ 1/47	446,302	27,010	446,302	0	0	0
Basich Bros Const Co and Basich Bros	4/25/46	10/14/47	1,221,927	4,029	800,000	421,927	0	0
Morgan Const. Co	4/22/46	7/17/46	43,719	9,525	42,492	0	0	0
M W Brown	4/25/46	9/17/46	8,702	0	9,274	0	0	0
Alcorn Fence Co	4/26/46	7/22/46	30,000	7,973	26,009	0	0	0
Spencer Webb	4/26/46	2/ 7/47	175,682	0	175,682	0	0	0
Griffith Co	5/16/46	10/11/46	21,110	96	20,130	0	0	0
Mercer-Fraser Co	5/ 1/46	9/27/46	99,094	0	98,347	0	0	0
Piomba Bros & Co	5/16/46	5/30/47	130,405	0	130,405	0	4,920	0
Kiss Crane Co	5/ 9/46	11/26/46	72,173	1,908	72,173	0	County	Acquired
Griffith Co	4/30/46	6/28/46	55,682	37,824	44,392	0	0	0
Arthur A Johnson	4/30/46	6/29/46	57,049	41,381	56,426	0	0	0
George Von KleinSmid	5/ 8/46	1/ 9/47	7,379	0	7,379	0	0	0
W C Railing	5/ 4/46	10/25/46	107,463	0	105,198	0	0	0
Kiss Crane Co	5/ 7/46	6/30/47	154,592	0	154,592	0	0	0
(Gunner Corp) Rejected	5/ 3/46							
M J Ruddy & Son	5/ 7/46	11/ 8/46	130,336	0	117,754	0	0	0
C M Syar	5/10/46	10/ 4/46	75,207	679	74,345	0	0	0
E B Bishop & Gerald Bing	5/23/46	6/30/47	410,790	8,842	410,790	0	County	Acquired
Utah Const Co	5/29/46	6/30/47	524,185	0	524,185	0	County	Acquired
Lester L Rich	5/16/46	9/10/46	112,006	4	107,669	0	0	0
C B Tuttle & Schmidt Bros	5/29/46	2/10/47	212,211	0	212,211	0	0	0
Denni Investment Corp	5/16/46	8/ 8/47	737,267	0	600,000	137,267	0	0
C C Gildersleeve	5/17/46	9/ 4/46	10,557	108	8,179	0	0	0
(J Henry Harris) Rejected	5/23/46							
(J P. Breen) Rejected	5/23/46							

[41] See R/W Tab No 95

[42] See R/W Tab No 107

CONTRACTS OPENED JUNE 30, 1945, TO JANUARY 29, 1947—Continued

Date of bid opening	Co, Rte, Sec	Description	Type	Length	Classification	Contract No
5/15/46	III-Yol-6,99-A,B	1 mi E of Davis-Swingle, Arcade Sta—Jct Rte 6	Surf	7 3	S-R	3WC7-P
5/15/46	III-Yol-7-B,C	Cache Cr-Dunnigan	Surf	14 0	S-R	3TC25
5/15/46	III-Yol-50-E	At Tule Canal, 6 mi E of Woodland	R C Br		S-PW	14WLC32
5/15/46	IV-Ala-107-A	Across Alameda Cr and over W P R R, 2 7 mi W of Sunol	2 structures		S-PW	14WLC33
5/15/46	IV-Ala,CC-69,14-Alb, Rch, ECr,A,Pin,Her, B	El Cerrito Hill Overhead in Albany-Carquinez Bridge	Surf	10 5	S-R	4TC23-P
5/15/46	VI-Tul-4-A	White River Sink, 2 mi S of Earlimart	Bridge			
5/21/46	X-Cal-65-B	9 mi N of Angels Camp	Cattlepass		S	14WC7
5/21/46	II-Mod-28-C	0 3 mi E of Lakeview Jct -1 mi W of Cedar Mt Mnt Sta	Seal Coat	7 8	S-M	2KC11
5/22/46	I-Men-1-B	Burke Hill-1 mi N	Surf	1 0	S-R	1TC15
5/22/46	III-Pla-17,37-Aub,A	0 1 mi W of Nevada St -1 mi N E of N C L of Auburn[42]	Gr and Surf	2 6	FAP-PW	3TC27-F
5/22/46	III-Sac,Yol-11,99-B,A	Sac City Limits-0 5 mi E, bet 0 4 mi and 9 6 mi N Solano County Line	Surf	6 1	S-M	3KC12
5/22/46	III-Yub-87-A	Marysville-0 4 mi S of Butte County line	Surf	9 6		
5/22/46	VI-Ker-4-F,Dln	Famoso-Cecil Ave in Delano	Surf	10 4	S-R	6VC8-P
5/22/46	X-Mer-4-Atw,C	Atwater-2 mi N	Surf	3 2	S-R	10TC13
5/23/46	XI-S D -2-B,C,D	Leucadia-San Mateo Creek	Surf	6 2	S-R	11VC9
5/23/46	XI-S D -2,199,12-F,A,B,EC	Various locations	Surf	9 3	S-R	11XC11-P
5/29/46	II-Sha-1072	Cottonwood-Anderson	Gr and Surf	10 8	FAS	2DC3
5/29/46	III-Yub,Sut-3-Myl,YC	D St Bridge in Marysville-Rte 15 in Yuba City[44]	Gr and Pav	2.0	U PW	3TC28-F
5/29/46	IV-Ala-5,69-BCB	Dublin-Mission San Jose, Alvarado-San Leandro	Surf	7 6	S-R	4TC25-P
5/29/46	IV-S M -68-Burl,S M	On Bayshore Freeway bet Broadway in Burl-State St, in S M [illegible]	Gr and Pave	2.2	U-PW	4TC24-F
5/29/46	VI-Tul-4-E	3 6 mi 0 4 S of Kingsburg	Surf	3 0	S-R	6VC9
5/29/46	X-Mer-32-C	San Joaquin River-Madera Co Line	Surf	3 0	S-R	10WC12
5/31/46	VII-Ora-183-A	Verano-St -W City Limits of Santa Ana	Surf	1 8		7XC17
5/31/46	VIII-SBd-43-B,C	Squirrel Inn-Big Bear Dam	Surf	13 8	S-R	8XC8
6/5/46	II-Mod-73-C	Across S Fork of Pit River at Likely	Bridge		S-R	
6/ 5/46	II-Sha-20-C	Across Sac River at Redding	Bridge			
6/ 5/46	IV-C,C-75-A,B	Broadway Tunnel-Orinda Jct, Walnut Cr-3 mi E	Surf	5 3	S-R	4WC25
6/ 5/46	V-SBt-2-A	Prunedale Jct-Santa Clara Co Line	Surf	1 6	S-R	5TC6
6/ 5/46	V-SLO-2-F	Santa Maria River-1 5 mi S of Nipomo	Surf	2 1	S-R	5VC7
6/ 5/46	I-Men-1-J	Across Rock Cr, 25 mi S of Garberville	Bridge			Not assigned
6/ 5/46	X-Cal-24-Ang	Across Angels Creek in City of Angels	Bridge		S	14WLC25
6/ 5/46	X-Mer-122-A	Across Mud Slough and Garzas Creek	Bridge and Culvert		S	14WLC24
6/ 5/46	X-Sac-11-C	Antioch Bridge-Emmaton	Surf	3 4	S	10WC13
6/ 5/46	X-S J-4-C	Calaveras River-Lodi	Gr Pave, 3 bridges	8 2	FAP-PW	10TC14-F

[43] See R/W Tab No 31A

[44] See R/W Tab No 23

CONTRACTS OPENED JUNE 30, 1945, TO JANUARY 29, 1947—Continued

Contractor	Award date	Completion date	Contract allotment	Contract expenditures to 6/30/46	Final cost or estimate expense to 6/30/47	Estimate expense to complete	Estimate right of way expense to 6/30/47	Estimate right of way expense to complete
A Teichert & Son Inc	5/22/46	8/27/46	74,774	4,859	73,896	0	0	0
Fredrickson Bros	5/22/46	10/11/46	156,862	142	153,649	0	0	0
M A Jenkins	6/25/46	2/17/47	89,086	0	89,686	0	1,487	463
R G Clifford and Louis Biasotti & Son	6/22/46	7/24/47	457,208	0	440,000	17,208	1,824	676
J R Armstrong	5/24/46	10/30/46	91,737	3,281	91,737	0	0	0
(Griffith Co) Rejected	6/25/46							
Bati Rocca	5/28/46	7/30/46	5,081	618	4,850	0	0	0
Morgan Construction Co	5/28/46	8/ 3/46	13,506	121	12,780	0	0	0
C M Syar	6/21/46	10/10/46	38,872	0	38,327	0	0	0
Fredrickson & Watson Const. Co	6/4/46	8/ 4/47	656,006	0	635,000	21,006		
Harms Bros	6/11/46	7/31/46	43,465	0	41,443	0	0	0
(Lester L Rice) Rejected	6/ 8/46							
Griffith Co	5/28/46	10/ 9/46	96,864	130	88,290	0	0	0
Gunner Corp	5/28/46	12/16/46	64,750	0	64,750	0	0	0
N. M Ball Sons	5/31/46	9/11/46	60,895	0	55,573	0	0	0
R E Hazard Contr Co	5/29/46	9/ 4/46	117,492	0	110,565	0	0	0
Oilfields Trucking Co & Phoenix Const Co	6/ 8/46	6/30/47	228,323	0	228,323	0	County	Acquired
Lester L Rice	6/22 46	4/1/47	677,838	0	677,838	0		
A S Jones	6/ 8/46	1/10/47	175,965	0	175,965	0	0	0
Guy F Atkinson Co	6/22/46	2/ 8/47	681,982	0	681,982	0		
Valley Paving & Const Co	6/ 8/46	8/23/46	33,550	0	31,436	0	0	0
Frank B Marks & Sons	6/22/46	9/ 5/46	85,474	0	84,144	0	0	0
John J Swigart	6/10/46	8/16/46	31,881	0	26,438	0	0	0
R. R Hensler	6/10/46	3/ 1/47	88,840	0	88,840	0	0	0
(Clifford A Dunn) Rejected	6/21/46							
(Pacific Bridge Co.) Rejected	6/11/46							
N M Ball Sons	6/26/46	9/ 5/46	26,916	0	25,177	0	0	0
Granite Const Co	6/11/46	9/20/46	66,622	0	57,036	0	0	0
Farrey-Hammond Inc	6/11/46	9/30/46	103,058	0	101,917	0	0	0
	No bids							
J. Henry Harris	6/25/46	11/23/46	45,529	0	38,946	0	20,000	0
Dan Caputo	6/26/46	2/ 1/47	55,630	0	55,630	0	0	0
Sheldon Oil Co	6/11/46	9/20/46	45,552	0	39,398	0	0	0
Fredrickson & Watson Const., Co	6/22/46	7/21/47	870,036	0	852,000	18,036	368,377	0

[45] See R/W Tab No 34

CONTRACTS OPENED JUNE 30, 1945, TO JANUARY 29, 1947—Continued

Date of bid opening	Co, Rte, Sec	Description	Type	Length	Classification	Contract No.
6/ 5/46	II-Las-29-D,E	At Doyle & Long Valley Maintenance Yard	Stockpile PMS		S-M	2KC12
6/ 5/46	II-Las-73-A,B,D	Litchfield to Ravendale	Stockpile PMS		S-M	2KC13
6/ 6/46	VIII-SBd-31-D	Victorville to Oro Grande Underpass	Surf	4.7	S-R	8VC8
6/ 6/46	XI-S D-77-SD	At Friars Rd [46]	Overcrossing		U-PW	14XC13-F
6/ 7/46	VIII-SBd-26, 9-C,A	W of Ontario and E. of Upland	Remove trees		S-M	8KC5
6/12/46	I-Lak-89-D	Kelsey Creek Bridge	Bridge & Apprs		S-PW	14WLC36-F
6/12/46	III-Gle,But-45-C,A	At Big Butte Creek	Bridge & Apprs			
6/12/46	IV-Ala-60-Oak	5th Ave Structure [47]	Overcrossing		U-PW	14WC8-F
6/12/46	IV-S M-68-S SF	SPRR to 0 5 mi S [48]	Gr & Sand Drains	0.5	U-PW	4TC26-F
6/12/46	VI-Ker-33-C	W of Wasco	Surf	6.7	S-R	6XC8
6/12/46	IX-Mon-23-I	Conway Summit to Bridge port	Surf	9.2		
6/13/46	VII-L A-2-LA	First St [49]	Undercrossing		U-PW	14VC15-F
6/13/46	VII-Ora-2-B,C	0 25 mi. N El Toro Rd to S C L Tustin	Surf	8.3	S-R	7VC19
6/13/46	VII-L A,Ora-168,60-B,SLB	At three intersections	Signals		S	7VC20-P
6/13/46	VIII-SBd-190-D	At Mill Creek	Gr Surf & Br		S	14XLC7
6/31/46	XI-S D-77-S D	At Mission Valley Rd [50]	2 overcrossings		U-PW	14XC14-F
6/13/46	XI-S D-77-S D	Over Balboa Parkway at University Ave [51]	Overcrossing		U-PW	14XC15-F
6/18/46	II-Sha-28-ABC	Various Locations	Stockpile PMS			
6/19/46	I-D N-1-C,E	Smith River to Idlewild	Storm damage repair	0.6	S-M	1JC4
6/19/46	III-Pla,Yub-Var	Various Locations	Seal Coat	35.2	S-M	3KC13
6/19/46	III-Yol-87-A	Woodland to Knights Landing	Surf	9.5	S-R	3WC8
6/19/46	V-Mon-117,56-A,I	Del Monte Jctn to Seaside Jctn	Gr & Pave	3.0	FAP-PW	5WC3-F
6/19/46	V-S B-2-P,Q	At Hollister Wye [51]	Gr & Surf	0.9	FAP-PW	5VC8-F
6/19/46	VI-Mad,Am,Tul-4,10-B,C,A,A	Nr Calila & Hanford to Rte 4	Seal Coat	16.8	S-M	6KC5
6/19/46	X-Son,Sol-208-A,A	At Sonoma Creek	Repair Br		S	14WLC39
6/20/46	VIII-Riv-26-B,Ban	Midway to E C L Banning	Surf	3 1	S-R	8VC9-P
6/20/46	VIII-SBd-189, 59-A,E,F	Alpine to Lake Arrowhead & Lake Arrowhead Dam to Burnt Mill	Surf	6 3	S-M	8KC6
6/26/46	III-Pla, Nev-38-BC,A	4 7 mi W of Tahoe City to Nev Co Line-Truckee Y to Truckee	Surf	8 5	S-R	3WC9-P
6/26/46	IV-C C-75-B,C	Rte 106 to Rte 75 and E of Port Chicago Rd	Gr & Pave	2 6	FAP-PW	4WC26-F
6/26/46	IV-Mrn-1-D,C,A	Waldo to Ignacio	Surf	1 5	S-R	4TC27
6/26/46	IX-Mno-40-C	Rte 23 to Sheep Corral	Surf	6 3	S-R	9XC3
6/27/46	VII-L A-2-L A	Soto St to Indiana St [52]	Gr & sewers		U-PW	7VC21
7/ 2/46	IV-Ala-Oakland Airport	Maitland Dr to Earhart Rd	Surf	0 2	A	4ANC14
7/ 2/46	XI-S D-2-C	At Main Entrance to Camp Pendleton	Signals		FAP	11VC11-F
7/ 3/46	IV-SCl-5-B,SJs	At San Jose, Bascom Ave to Park Ave [53]	Gr & Pave	1 3	S	4TC28
7/ 3/46	VI-Ker-57,58,138-E,L,A	Rte 143 to Cottonwood Creek, Rosedale to Bakersfield and Maricopa to 0 5 mi NW of Taft	Seal Coat	12 3		
7/ 3/46	X-Sta,SJ-4-B,A,Rip	Salida to 1 mi N of Ripon [54]	Gr & Pave	4 5	FAP-PW	10TC15-F
7/ 5/46	VII-L A-2-L A	On Santa Ana Parkway at Bovle Ave [55]	Overcrossing		U-PW	14VC14-F
7/ 5/46	VII-L A-2-L A	On Santa Ana Parkway at Soto St	Undercrossing			
7/ 5/46	XI-S D-77-S D	Over Balboa Park Freeway at Pascoe St [56]	Overcrossing		U-PW	14XC16-F
7/ 5/46	XI-S D-77-S D	On Balboa Parkway at Sixth St [56]	Undercrossing		U-PW	14XC17-F

[46] See R/W Tab No 116.
[47] See R/W Tab No 35
[48] See R/W Tab No 33
[49] See R/W Tab No 82
[50] See R/W Tab No 116
[51] See R/W Tab No 65

CONTRACTS OPENED JUNE 30, 1945, TO JANUARY 29, 1947—Continued

Contractor	Award date	Completion date	Contract allotment	Contract expenditures to 6/30/46	Final cost or estimate expense to 6/30/47	Estimate expense to complete	Estimate of right of way expense to 6/30/47	Estimate right of way expense to complete
Isbell Construction	6/13/46	7/20/46	3,689	0	3,346	0	0	0
E B Bishop	6/13/46	7/10/46	7,625	0	6,684	0	0	0
Geo Herz & Co	6/11/46	5/31/47	42,595	0	42,595	0	0	0
Fred D Kyle	6/26/46	2/15/47	67,133	0	67,133	0		
Calif Tree Service	6/17/46	8/27/46	2,873	0	2,515	0	0	0
A Soda & Son	6/17/46	4/ 3/46	213,691	0	213,691	0	9,263	0
(Kiss Crane Co)Rejected	6/21/46							
Stulte Inc & Duncanson Harrelson Co	6/21/46	9/29/47	1,832,732	0	1,000,000	832,732		
Piombo Bros & Co	6/26/46	1/ 8/47	286,069	0	286,069	0		
Griffith Co	6/25/46	10/18/46	58,205	0	52,000	0	0	0
(Basich Bros & Basich Bros Const Co), Rejected	6/18/46							
Haddock Co	7/22/46	4/ 7/47	183,074	0	183,074	0		
John J Swigart Co	6/20/46	11/18/46	98,261	0	95,537	0	0	0
Econolite Corp	6/24/46	10/18/46	22,045	0	21,510	0	0	0
Bent Construction Co	6/21/46	2/15/47	100,244	0	100,244	0	0	0
M H Golden Const Co	6/26/46	9/ 9/47	282,926	0	150,000	132,926		
M H Golden Const Co	6/25/46	3/12/47	149,868	0	149,868	0		
No bids received								
John Burman & Son	6/28/46	2/ 1/47	122,670	0	122,670	0	0	0
J Henry Harris	6/26/46	9/ 4/46	42,679	0	39,520	0	0	0
Folsom & Drollinger	6/27/46	9/17/46	35,622	0	30,959	0	0	0
N M Ball Sons	6/26/46	5/17/47	500,667	0	500,667	0	162,000	0
Jesse S Smith	6/27/46	2/15/47	162,924	0	162,924	0		
Valley Pavin & Const Co	7/ 2/46	8/23/46	21,347	0	19,000	0	0	0
M A Jenkins	6/26/46	8/ 1/46	3,509	0	2,146	0	0	0
Herz Paving Co	6/26/46	12/15/46	57,172	0	52,245	0	0	0
R R Hensler	6/26/46	11/ 7/46	41,351	0	34,882	0	0	0
Clements & Co	7/ 1/46	12/15/46	142,413	0	120,013	0	24,123	0
Harms Bros	7/28/46	3/14/47	620,762	0	620,762	0	69,309	27,741
Brown-Ely Co Contractors	6/28/46	9/30/46	69,586	0	69,126	0	0	0
Geo E Franco	7/ 1/46	9/10/46	22,000	0	21,496	0	0	0
Mike Radich & Co	7/10/46	3/31/47	416,437	0	416,487	0		
Gallagher & Burk	7/11/46	8/21/46	5,400	0	5,400	0	0	0
Tri-Cities Electrical Service	7/23/46	1/24/47	5,764	0	5,764	0	0	0
Union Paving Co	7/10/46	5/20/47	198,200	0	198,200	0	22,800	0
(Oilfields Trucking Co & Phoenix Const Co), Rejected	8/ 6/46							
A. Teichert & Son, Inc	7/15/46	5/24/47	456,211	0	456,211	0		
Peter Kiewit Sons Co	7/25/46	5/17/47	217,552	0	217,552	0		
(Spencer Webb), Rejected	9/ 3/46							
Carroll & Foster	8/ 8/46	3/ 1/47	83,483	0	83,483	0		
M H. Golden Const Co	8/ 8/46	2/20/47	119,895	0	119,895	0		

[52] See R/W Tab No 82
[53] Plus one-fourth cent funds
[54] See R/W Tab 59
[55] See R/W Tab No 82
[56] See R/W Tab No 116

CONTRACTS OPENED JUNE 30, 1945, TO JANUARY 29, 1947—Continued

Date of bid opening	Co., Rte., Sec.	Description	Type	Length	Classification	Contract No.
7/ 9/46	III-Sac-3-N,Sac	On Del Paso Blvd, Birch Ave. to El Camino Ave	Signals		S	3TC30-P
7/10/46	IV-Ala-69-Alb	Near El Cerrito Hill in City of Albany	Clean & Paint Bridge		S-M	14KC2
7/10/46	IV-Mrn-8-A	Across Novato Creek	Bridge Repairs		S	14TC12
7/11/46	III-Yub-87-A	At Simmerly Slough	Bridge		S	14WLC37
7/11/46	III-Yol-7-A	1 3 mi N of Solano Co Line to 2 25 mi. S. of Woodland	Surf	1 5		
7/11/46	VII-L A-60,166-ESeg, ManB,A	At Various Locations	Signals		S	7VC22-P
7/17/46	I-D N-1-E	Hazelview Summit to 2 1 mi S. of Oregon Line	Surf.	2 0		
7/17/46	II-Teh-29,86-B,A	3 mi. E. of Paynes Creek to Morgan Summit	Seal Coat	21.4	S-M	2KC14
7/17/46	IV-Ala-FAS-1030	On A St and Redwood Rd, San Lorenzo Creek Bridge to Proctor Rd	Gr. & Surf.	2 7	FAS	4DC1
7/18/46	VII-L A-170-A	Sixth St. to 0 4 mi. N of Imperial Hwy.	Surf	1 0	S-R	7XC20
7/23/46	X-Sol,Yol-7-E,A	Across Putah Creek	Bridge Repair		S	14TC13
7/24/46	II-Plu-FAS-523	Rte 83 near Almanor to Plu-Las Co Line 2 mi W. of Westwood	Gr & Surf	9 9	FAS	2DC4
7/25/46	VII-L A-165-L A	On Arroyo Seco Parkway; College St. to Bernard St [57]	Gr & Pave	0 3	U-PW	7XC21-F
7/25/46	XI-Imp-26,27-ECn	Calexico to El Centro and in El Centro	Gr. & Surf	12 7	S	11XC12-PF
7/30/46	II-Plu-21,83-B,B,C	At various locations	Stockpile PMS		S-M	2KC15
7/31/46	IV-S M-FAS-1052	Whipple Rd, Canada Rd to Alameda de las Pulgas	Grade	2 9	FAS	4DC2
8/ 1/46	III-Col-7-Wms	In Williams	Surf	0 3	S-R	3TC31
8/ 6/46	II-Plu-29-A	N Fork of Feather River at Chester	Sidewalks		S	14TC14
8/ 7/46	X-Nap-7-A	4 mi N of Vallejo	Undercrossing		S	14TC15
8/13/46	II-Sha-3-B	Across Churn Creek	Bridge Repair		S	14TC16
8/15/46	XI-Riv-146-A,B,C,D,E	1 3 mi N of Imp Co. Line to 0 5 mi S of SBd Co. Line	Surf	15 4	S-R	11XC13
8/21/46	II-Sha-20-B	Schilling to Shasta	Gr. & Surf	4 6	FAP	2TC18-F
8/21/46	IV-C C-14-A	At San Pablo; Wildcat Creek to San Pablo Creek	Widen pave & signals	1 0	S	4TC29
8/21/46	IX-Ker,Iny-23-BCE, GH	Mojave to Olancha	Storm damage repair	1 3	S-M	9JC1
8/22/46	VII-Ora-60-B	Across N. Arm of Newport Bay	Repair Bridge		S	14VC17
8/22/46	XI-Imp-27-B	Near Winterhaven	Repair 8 Brs.		S	14VC18
8/22/46	XI-Riv-64-H,B	Near Indio	Repair 5 Brs		S	14VC19
8/28/46	I-Men-56-E	Bet Bromley Creek and Fort Bragg [58]	2 Brs,Gr & Surf	3 8	FAP-PW	14WLC38-F
8/28/46	IV-Son-FAS-786	Across Russian River at Hacienda bet. Guerneville and Forestville	Bridge		FAS	14DC2
8/29/46	XI-S D-2-A	Bet Ninth St and Luneta Dr. in Del Mar	Widen & Surf	0 6	S	11VC12
9/ 4/46	I-Men-48-A	At Red Bank Creek and Lost Creek bet. Boonville and Yorkville	Gr & Surf	0.4	S	1WLC5
9/ 4/46	III-Pla-17-Aub.C	Bet Rte 37 in Auburn and Wise Canal [59]	Gr and Surf	1 7	FAP-PW	3TC32-F
9/ 4/46	III-Pla,E D-65-A,A	At N Fork of American River 2 mi E of Auburn	Bridge	0 26	S-PW	14WLC41
9/ 4/46	X-Sol-90-A	Bet Rte 7 near Vacaville and 0 5 mi. N of Sweeny Creek	Gr. Pave and 5 Bridges	5 7	FAP	10WC14-F
9/ 5/46	VIII-SBd,Riv-19-B,A	Bet 0 5 mi E of Ontario and Mira Loma [60]	Gr and Surf	5 8	FAP-PW	8VC10-F

[57] See R/W Tab No 85.

[58] See R/W Tab No 10A

CONTRACTS OPENED JUNE 30, 1945, TO JANUARY 29, 1947—Continued

Contractor	Award date	Completion date	Contract allotment	Contract expenditures to 6/30/46	Final cost or estimate expense to 6/30/47	Estimate expense to complete	Estimate of right of way expense to 6/30/47	Estimate right of way expense to complete
R Flatland	8/27/46	2/ 4/47	21,084	0	21,084	0	0	0
Pacific Bridge Painting Co	7/17/46	10/28/46	10,134	0	10,134	0	0	0
William B Willett Co	7/18/46	11/ 6/46	6,498	0	6,498	0	0	0
Lord & Bishop	7/11/46	8/26/46	14,432	0	14,432	0	0	0
(McGillivray Const Co), Rejected	7/22/46							
Econolite Corp	7/22/46	2/15/47	26,361	0	26,361	0	0	0
(W C Ratling), Rejected	7/31/46							
Morgan Const Co	7/22/46	9/28/46	44,970	0	44,970	0	0	0
Hayward Building Material Co	7/26/46	1/ 8/47	162,123	0	162,123	0	County	Acquired
Cox Bros Const Co	7/27/46	9/ 6/46	17,845	0	17,845	0	0	0
M. A Jenkins	7/30/46	6/ 1/47	10,545	0	10,545	0	0	0
Fredrickson & Watson Const. Co	8/ 7/46	8/15/47	156,222	0	140,000	16,222	County	Acquired
J E Haddock, Ltd	8/17/46	3/ 1/47	303,985	0	303,985	0	0	0
The Tanner Const Co	8/ 7/46	4/19/47	268,190	0	268,190	0	4,670	0
A Teichert & Son Inc	8/ 6/46	11/ 1/46	5,258	0	5,258	0	0	0
Piombo Bros & Co	8/ 9/46	2/ 1/47	180,570	0	180,570	0	County	Acquired
Harms Bros	8/19/46	9/14/46	5,470	0	5,470	0	0	0
C C Gildersleeve	8/10/46	11/ 9/46	6,000	0	4,472	0	0	0
Minton & Kubon	8/10/46	10/ 7/46	12,870	0	11,952	0	0	0
O'Connor Bros	8/17/46	11/ 7/46	3,162	0	2,502	0	0	0
Arthur A Johnson	8/22/46	10/25/46	58,941	0	50,586	0	0	0
Harms Bros & N. M. Ball Sons	8/29/46	9/22/47	526,376	0	400,000	126,376	14,650	0
J R Armstrong	8/26/46	5/ 1/47	110,996	0	110,996	0	0	0
Brown & Doko	8/26/46	1/ 1/47	56,070	0	56,070	0	1,100	0
Case Const Co (Johnson Western Co)	9/20/46	1/ 9/47	34,543	0	34,543	0	0	0
Tanner Const Co	8/30/46	3/19/47	50,580	0	50,580	0	0	0
E G Perham	9/16/46	1/28/47	30,469	0	30,469	0	0	0
Guy F Atkinson Company	10/25/46	3/ 9/48	974,113	0	400,000	514,113		
Kiss Crane Company	9/13/46	4/22/47	127,700	0	127,700	0	County	Acquired
V R Dennis Construction Co	9/16/46	2/ 1/47	21,714	0	21,714	0	0	0
C M Syar	9/16/46	6/ 1/47	31,963	0	31,963	0	650	0
Fredrickson & Watson Const Co	9/16/46	7/14/47	194,103	0	180,000	14,103	0	0
H W Ruby	9/16/46	7/25/47	262,580	0	240,000	22,580	1,131	1,369
Fredrickson Brothers	9/16/46	7/26/47	546,129	0	500,000	46,129	17,600	0
Peter Kiewit Son's Company	9/23/46	10/ 8/47	441,425	0	330,000	11,425	0	0

(a) See R/W Tab No 31B

(b) See R/W Tab No 105A

CONTRACTS OPENED JUNE 30, 1945, TO JANUARY 29, 1947—Continued

Date of bid opening	Co., Rte., Sec	Description	Type	Length	Classification	Contract No
9/11/46	I-Nap,Lak-49-A,A	Bet 0 1 mi Southerly and 1 5 mi northerly of Napa-Lake Co	Gr Surf and 2 Bridges	0 8		
9/11/46	III-But-FAS-1046	Across S Fork of Feather River at Bidwell Bar	Bridge			
9/11/46	IV-SCl-FAS-992	On Leavesley and Ferguson Rds, bet Gilroy Jct of Furguson Rd with Rte 32	Gr and Pave	4 5	FAS	4DC3
9/11/46	IV-SCr-56-C	At Waddell Creek, about 7 4 mi. N of Davenport	Bridge and Appr s	0 3	S	14WLC42
9/11/46	VI-Ker-129-A	Bet Rte 4 and 5 mi N	Gr and Surf	5 1		
9/18/46	I-Hum-FAS-501	Bet Arcatia and Ryans Slough Br	Gr and Surf	8 0	FAS	1DC1
9/18/46	III-Sac-FAS-900	Across Bear Creek Slough 4 5 mi W of Galt	Bridge		FAS	14DC4
9/18/46	III-Yol-FAS-1154,1152	Across Moody Slough about 2 mi N.W of Winters and at Cache Creek about 2 mi N of Capay	2 Bridges			
9/18/46	IV-S.M -68-SSF,F,Burl	Bayshore Freeway from Colma Creek in S. San Francisco to Broadway in Burlingame	Gr and Pave	5 1	U-PW	4TC30-F
9/18/46	VI-Ker-57-E	Bet Rt 143 and Cottonwood Cr	Surf	6 3	S-M	6KC6
9/23/46	VII-L A -19-B	At Intersection of Rte 19 and 77	Signals			
9/25/46	II-Sha-3-A	Between Cottonwood and Clear Creek	Irrigation structures			
9/25/46	VI-Fre-4-A,Fow,B	Bet ¼ mi S of Fowler and Calwa Overpass	Gr and Surf	6 5	FAP-PW	6TC4-FP
9/26/46	VII-L A -19-B,Pom	Bet Rte 77 and Pomona	Gr and Surf	0 7	FAP-PW	7XC22-F
9/26/46	VII-L A -60-A	Bet Latigo Canyon and Malibu Creek	Gr and pave	4 5	FAP-PW	7VC23-F
9/26/46	VIII-SBd-43-A	Bet 8 6 mi and 11 7 mi N of San Bernardino	Surf	0 4	S	8XC9
10/ 2/46	I-Men-1-E	Bet N W R R grade crossing and N. W R R underpass	Gr and Surf	0 8	FAP	1TC16-F
10/ 2/46	III-Sac-FAS-933	Across Laguna Creek about 0 8 mi N. of Elk Grove	Bridge		FAS	14DC6
10/ 2/46	V-Mon, SBt-2-J,B	Bet 0 8 mi N of Crazy Horse Summit and Chittenden Rd [12]	Gr and Surf	6 7	FAP-PW	5TC7-F
10/ 2/46	VI-Ker-4-E	Bet Cawelo and Famoso Underpass	Gr and pave and Br	6 7	FAP-PW	6VC10-F
10/ 2/46	X-S J -97-A	At Calaveras River about 8 mi. N of Stockton	Bridge	0 4		
10/ 2/46	X-Sta,S J -4-B,A	Across Stanislaus River about 8 mi N E of Modesto	Bridge Substructure			
10/ 3/46	VII-L A 170-A	Bet Sproul St and Anaheim-Telegraph Rd	Surf	1 5	S-R	7XC23
10/ 3/46	XI-Imp-26-B,C	At Lone Tree Wash and San Felipe Creek about 9 and 15 5 mi N W. of Westmorland[63]	2 Bridges		FAP-PW	14VC16-F
10/ 8/46	IV-C C-14-B	Bet Fourth St and First St in Rodeo	Widen and pave	0 30	S	4TC31
10/ 8/46	X-S J-97-B	Across Mokelumne River, about 1 mi N of Clements	Clean and paint Br		S	14WLC44
10/ 9/46	I-Hum-1-D	At Dyerville	Bank protection		S-M	1JC5
10/ 9/46	III-Yol-50-E	At W side of Yolo Bypass, about 5 mi E of Woodland	Surf	0.1		

[61] See R/W Tab No 34

[62] See R/W Tab No 44

CONTRACTS OPENED JUNE 30, 1945, TO JANUARY 29, 1947—Continued

Contractor	Award date	Completion date	Contract allotment	Contract expenditures to 6/30/46	Final cost or estimate expense to 6/30/47	Estimate expense to complete	Estimate of right of way expense to 6/30/47	Estimate right of way expense to complete
(C M Syar, Geo. M Carr & Bati Rocca) Rejected	9/20/46							
No bids received								
Granite Construction Co	9/20/46	4/ 4/47	170,045	0	170,045	0	County	Acquired
Granite Construction Co	9/16/46	4/ 4/47	94,967	0	94,967	0	530	0
(Griffith Co) Rejected	9/18/46							
Mercer-Fraser Company	10/ 3/46	4/ 8/47	141,328	0	141,328	0	County	Acquired
M A Jenkins	10/ 3/46	4/16/47	74,295	0	74,295	0	County	Acquired
No bids received								
Macco Corporation and Morrison-Knudsen Co Inc	10/ 9/46	10/11/47	3,241,495	0	2,500,000	741,495		
Rand Construction Co	9/23/46	4/ 1/47	30,001	0	30,001	0	0	0
No bids received								
(Oilfields Trucking Co & Phoenix Const Co) Rejected	10/ 3/46							
Gunner Corporation and J. E Haddock Ltd	10/ 8/46	12/30/47	830,910	0	425,000	405,910	364,478	0
Matich Brothers	10/18/46	2/ 5/46	74,576	0	74,576	0	0	0
Peter Kiewit Son's Co	10/14/46	2/24/48	1,654,477	0	500,000	1,154,477	289,000	46,520
George Herz and Company	10/ 3/46	3/ 5/47	43,914	0	43,914	0	0	0
A R McEwen & C M. Syar	10/14/46	5/ 8/47	146,391	0	146,391	0	12,350	0
Bati Rocca	10/16/46	3/ 8/47	34,074	0	34,074	0	County	Acquired
A. Tiechert & Son, Incorp.	10/16/46	10/22/47	769,500	0	499,000	270,500		
Griffith Company	10/17/46	8/23/47	548,618	0	493,000	55,618	14,297	0
(Dan Caputo & Edward Keeble) Rejected	10/ 8/46							
(Bent Construction Co) Rejected	10/ 8/46							
Griffith Company	10/ 3/46	12/13/46	23,806	0	23,806	0	0	0
Bent Construction Co	10/31/46	7/11/47	261,001	0	248,000	13,001		
Lee J. Immel	10/14/46	1/ 3/47	19,320	0	19,320	0	0	0
Fred T. Judd Company	10/14/46	11/22/46	761	0	761	0	0	0
Mercer Fraser Co	10/18/46	1/30/47	45,902	0	45,902	0	0	0
(A. L Miller) Rejected	10/17/46							

[63] See R/W Tab. No. 120.

CONTRACTS OPENED JUNE 30, 1945, TO JANUARY 29, 1947—Continued

Date of bid opening	Co., Rte., Sec	Description	Type	Length	Classification	Contract No
10/ 9/46	IV-Ala-5-B	In Castro Valley bet San Miguel Ave and Park Way	Storm drain	0 4		
10/ 9/46	VI-Ker-4-C,Bkd	At Bakersfield bet Brundage Lane and 21st St [64]	Signals		U-PW	6VC11-FP
10/ 9/46	VI-Ker-120-A	Bet Rte 4 and 5 mi N [65]	Gr and Surf	5 1	FAP-PW	6XC9-F
10/10/46	VII-L A-2-L A	Bet Diamond St and Sunset Blvd [66]	Drainage		U-PW	7VC24-FP
10/16/46	I-Men-1-K	Bet Red Mountain and Piercy	Gr Pave and Structure	4 6	FAP-PW	1TC17-F
10/16/46	V-S B-2-G	Bet ¼ mi E of Las Varas Creek and ¼ mi E of El Capitan Creek	Gr and Surf	2 9	FAP-PW	5VC9-F
10/23/46	I-Hum-20-B	Bet Redwood Summit and 1 mi E of Redwood Creek (portions)	Base	4 7	S	1WC11-F
10/23/46	IV-S F-2-SF	Bridge over Presidio of San Francisco	Clean and Paint Bridge		S	14TMC1
10/24/46	VII-L A-2-L A	On Hollywood Parkway at Silver Lake Blvd [67]	Undercrossing		U-PW	14VC20-F
10/24/46	XI-S D-197-B	Across Santa Ysabel Creek about .8 mi E of Escondido	Bridge		S	14XLC8
10/24/46	V-S B-2-S B	Bet Ashley St and De La Vina St	Demolish Building		S	5RVC1
10/30/46	VI-Fre-125-C	Bet Shields Ave and Herndon Ave	Gr and Pav	4 0	FAP-PW	6WC5-F
10/30/46	VI-Fre-FAS-809	On Fresno Coalinga Rd between Mt Whitney Ave and State Highway Rte 10	Gr and Surf	8 6	FAS	6DC1
10/31/46	VII-L A-77-Alh,Sto	At 16 Intersections on Valley Blvd bet Westminster Ave Del Mar Ave	Signals		S	7XMC2-P
11/16/46	X-S J-5-B	Across San Joaquin River at Mossdale [68]	Br Substructure		FAP-PW	14TC17-F
11/ 6/46	IV-Ala-105-B	On F 14th St bet Plaza Dr and 158th Ave	Culvert			
11/ 7/46	XI-Riv-64-H	Across Coachella Canal 5 mi E of Indio	Bridge		S	14VC21
11/14/46	VII-L A-2-L A	On Hollywood Parkway at Grand Ave [69]	Overcrossing		U-PW	14VC22-F
11/14/46	VII-L A-161, 168, 9, 62-A, C, 4zu	At various Locations	Signals		S	7XC25-P
11/20/46	IV-Ala-69-Oak	At Fruitvale Ave in City of Oakland [70]	Overcrossing Substructure		U-PW	14WC9-F
11/20/46	V-S B-2-P	At Hollister Wye bet Santa Barbara and Goleta [71]	Signals		FAP-PW	5VC10-F
11/21/46	VII-L A-2-L A	On Santa Ana Parkway at Lorena St [72]	Overcrossings		U-PW	14VC23-F
11/21/46	VII-L A-174,170-B, A Ora-171,174-A,B	At Various Locations	Signals		S	7XC26
11/21/46	VII-Ven-FAS-877	On Las Posas Rd bet State Hwy Rtes 2 and 153	Gr and Surf	4 3	FAS	7DC1
11/29/46	VII-L A-26-Mon,P A	At 11 intersections on Garvey Ave bet Atlantic and Del Mar Aves	Signals		S	7XMC4-P
12/ 4/46	IV-SCl-FAS-1000	On Stevens Creek Rd bet Orange Ave and Stevens Creek	Gr and Pave	0 4	FAS	4DC4
12/ 4/46	VI-Ker,Tul-129-AB,A	Poso Creek to Ducor [73]	Gr & Pave	18 3	FAP-PW	6XC10-F
12/ 4/46	IV-Ala-105-B	On E 14th St bet Plaza Dr and 158th Ave	Culvert		S	4WC27
12/11/46	VI-Ker-58-E,F,Thp	Bet Keene and Tehachapi [74]	Gr Surf & Structures	10 2	FAP-PW	6XC11-F
12/12/46	VII-L A-2-L A	On Santa Ana Parkway at Olympic Parkway [75]	Undercrossing		U-PW	14VC24-F

[64] See R/W Tab. No 72
[65] See R/W Tab No 73 A
[66] See R/W Tab No 81
[67] See R/W Tab No 81
[68] See R/W Tab No 62
[69] See R/W Tab No 81

CONTRACTS OPENED JUNE 30, 1945, TO JANUARY 29, 1947—Continued

Contractor	Award date	Completion date	Contract allotment	Contract expenditures to 6/30/46	Final cost or estimate expense to 6/30/47	Estimate expense to complete	Estimate of right of way expense to 6/30/47	Estimate right of way expense to complete
(McGuire & Hester) Rejected	10/16/46							
Oilfield Electric Co	10/23/46	6/11/47	42,338	0	42,338	0		
George E. France	10/14/46	4/14/47	189,320	0	189,320	0		
Chas T Brown	10/24/46	5/ 7/47	193,246	0	193,246	0		
Oilfields Trucking Co & Phoenix Construction Co	10/31/46	9/24/47	772,426	0	618,000	154,426	13,833	167
N. M Ball Sons	10/28/46	9/10/47	446,300	0	380,000	66,300	40,000	0
W C Railing	10/25/46	1/13/47	31,365	0	31,365	0	0	0
R W Reade & Co	10/29/46	4/ 5/47	42,090	0	42,090	0	0	0
Guy F Atkinson Co	11/14/46	2/ 2/48	463,854	0	185,000	278,854		
Spencer Webb	11/ 1/46	8/ 9/47	226,000	0	215,000	11,000	1,280	0
Mead House Wrecking	11/31/46	6/30/47	3,554	0	3,554	0	0	0
Basich Bros Construction Co & Basich Brothers	11/14/46	8/ 1/47	335,658	0	302,000	33,658	98,142	0
Louis Biasotti & Son	11/14/46	5/24/47	167,601	0	167,601	0	County	Acquired
C D Drauker Co	11/12/46	4/18/47	66,520	0	66,520	0	0	0
Lord & Bishop	11/22/46	11/13/47	261,036	0	196,000	65,036		
(Kiss Crane Co) Rejected	11/19/46							
F Fredenburg	11/15/46	5/ 5/47	35,729	0	35,729	0	0	0
Oberg Bros	12/ 9/46	10/23/47	239,050	0	155,000	84,050		
Econolite Corporation	11/26/46	4/29/47	37,032	0	37,032	0	0	0
S J Amoroso Construction Co	12/ 9/46	11/19/47	421,671	0	148,000	273,671		
L H Leonardi Electric Construction Co	12/ 2/46	4/16/47	18,555	0	18,555	0		
W. J Distell	12/11/46	8/21/47	147,770	0	110,000	37,770		
Econolite Corporation	12/ 2/46	5/ 9/47	45,480	0	45,450	0	0	0
MacDonald & Kruse Inc	12/ 9/46	6/ 9/47	82,744	0	82,744	0	County	Acquired
C D Drauker Co	12/11/46	5/19/47	45,811	0	45,811	0	0	0
Dan Caputo & Edward Keeble	12/31/46	5/12/47	66,815	0	66,815	0	County	Acquired
Rand Construction Company	12/23/46	10/ 3/47	317,116	0	253,000	64,116		
Wheeler Construction Co	12/11/46	3/ 8/47	11,976	0	11,976	0	0	0
Guy F Atkinson Company	12/31/46	3/15/48	1,187,895	0	415,000	772,895		
Haddock Co	1/ 2/46	11/ 8/47	332,944	0	166,000	166,944		

[70] See R/W Tab No 35
[71] See R/W Tab No 65
[72] See R/W Tab No 82
[73] See R/W Tab No 73A
[74] See R/W Tab No 75
[75] See R/W Tab No 82

CONTRACTS OPENED JUNE 30, 1945, TO JANUARY 29, 1947—Continued

Date of bid opening	Co, Rte, Sec	Description	Type	Length	Classification	Contract No
12/12/46	VII-L A-2-L A	On Santa Ana Parkway at Esperanza St, and Indiana St [76]	2 structures		U-PW	14VC25-F
12/12/46	VII-Ora-FAS-742	On Harbor Blvd, bet Wilson St, in Costa Mesa and Manchester Ave, S of Anaheim	Surf	11 2	FAS	7DC2
12/ 6/46	VII-L A-60-C	Across Ballona Creek about 4 3 mi S of Santa Monica	Clean & paint bridge		S-M	14KC3-P
12/19/46	VII-L A-23-E,F	About 0 5 mi N of Palmdale	Gr & Surf	0 8	S	7VC26
12/19/46	VII-Ora-2-A	One mi N of Doheny Park to San Juan Creek [77]	Gr & Pave	0 9	FAP-PW	7VC27-F
1/ 8/47	VI-Fre-41-P	At Kings River Slough	Reconstruct Br		S	14WLC43
1/ 9/47	XI-Imp-26-ECn	In El Centro, Main St to Imperial Ave	Gr & Pave	1 2	U	11VC14-F
1/ 9/47	VII-L A-2-L A	Kearney St to Soto St [78]	Landscaping	1 5	U,PW	7VC28-F
1/ 9/47	VII-L A-165-L A	At Sunset Blvd [79]	Gr separation		U-PW	14XC19-F
1/ 9/47	VII-L A-167-SGt,A, Bell,Myd	Atlantic Ave Firestone Blvd to 52d St	Traffic Signals		S	7XC28-P
1/15/47	IV-SC1-68,2-SJs	Santa Clara St Underpass [80]	Landscaping		U-PW	4TC32-F
1/15/47	IX-Ker-58-A	12 mi E of Mojave to Muroc Junction	Gr & Surf	5 0	FAP-PW	9VC5-F
1/15/47	X-Tuo-13-Sra	In Sonora, Stockton St, Solinsky St, to Washington St	Gr & Surf	0 4	S-PW	10TC16
1/16/47	VII-Ora-60-LgnB,C	Laguna Beach to Dana Point [81]	Gr & Pave	4 9	FAP-PW	7VC29-F
1/16/47	VII-Ven-2-C,Ven	Montalvo to Ventura [82]	Gr & Pave	3 4	FAP-PW	7VC30-F
1/23/47	VII-L A-174-B	On Firestone Blvd, 7 intersections Hooper Ave to Santa Fe Ave	Signals		S	7XC29
1/29/47	IV-Mrn-1-SRf	On Linden Lane	2 Gr separations		FAGM-UI	14TC18-PF
	Totals					

[76] See R/W Tab No 82
[77] See R/W Tab No 95
[78] See R/W Tab No 82
[79] See R/W Tab No 85

Number of Day Labor Work Orders Issued July 1, 1945 to December 31, 1946	476
Amount of Day Labor Work Orders Issued July 1, 1945 to December 31, 1946	$1,990,300
Expenditures to June 30, 1946	1,686,600
Estimated Expenditures to June 30, 1947	303,700
Number of Convict Labor Work Orders Issued July 1, 1945 to December 31, 1946	5
Amount of Convict Labor Work Orders Issued July 1, 1945 to December 31, 1946	$1,234,000
Expenditures to June 30, 1946	555,800
Estimated Expenditures to June 30, 1947	900,800
Estimated Balance to Complete	333,200

CONTRACTS OPENED JUNE 30, 1945, TO JANUARY 29, 1947—Continued

Contractor	Award date	Completion date	Contract allotment	Contract expenditures to 6/30/46	Final cost or estimate expense to 6/30/47	Estimate expense to complete	Estimate of right of way expense to 6/30/47	Estimate right of way expense to complete
Haddock Co	12/31/36	11/ 6/47	272,102	0	136,000	136,102		
Griffith Co	12/31/46	8/13/47	260,120	0	234,000	26,120	County	Acquired
Angelus Waterproofing & Paint Co	12/23/46	2/ 8/47	14,056	0	14,056	0	0	0
A A Edmandson	12/31/46	4/16/47	61,245	0	61,245	0	17,200	0
Cox Bros Const Co	1/ 2/47	5/21/47	114,305	0	114,305	0		
Lord and Bishop	1/ 8/47	2/10/47	26,500	0	26,500	0	0	0
R E Hazard Contracting Co	1/28/47	1/ 5/48	369,989	0	100,000	269,989	16,335	0
Jannoch Nurseries			79,681	0	10,000	69,681		
Winston Bros Co	1/28/47	4/ 9/48	513,208	0	100,000	413,208		
R E Ziebarth	1/22/47	6/28/47	53,742	0	50,000	3,742	0	0
Huettig and Schromm			16,905	0	5,000	11,905		
Basich Bros Construction Co and Basich Brothers	1/28/47	7/ 5/47	152,353	0	50,000	102,353	1,000	0
Beerman and Jones	1/24/47	8/ 6/47	81,025	0	30,000	51,025	90,697	0
Cox Bros Construction Co	1/30/47	9/11/47	272,433	0	50,000	222,433		
J E. Haddock, Ltd	2/ 4/47	11/15/47	628,334	0	100,000	528,334		
Prescott Electric & Mfg Co	1/31/47	7/ 8/47	20,475	0	19,000	1,475	0	0
Parish Bros			252,092	0	100,000	152,092	500	0
			$72,672,619	$8,524,809	$61,067,917	$10,835,693	$2,950,143	$120,164

[50] See R/W Tab No 39
[51] See R/W Tab No 95
[52] See R/W Tab No 93.

	Contract allotment	Contract expenditures to 6/30/46	Final cost or estimate expense to 6/30/47	Estimate expense to complete
Summary—				
Total State Highway Projects	$62,862,031	$7,436,238	$52,083,943	$10,080,521
Total Maintenance Projects	1,069,734	440,315	1,015,799	0
Total Access Projects	5,881,746	637,506	5,151,409	712,830
Total FAS Projects	2,859,108	10,750	2,816,766	42,342

Legend—
- S - State highway project
- FAP - State highway project involving Federal Aid (rural)
- U - State highway project involving Federal Aid (urban)
- PW - Postwar project under Chapter 505
- M - Maintenance contract
- A - Federal access highway project
- FAS - Federal Aid Secondary (County Highway) Project
- FAG - Federal Aid Grade Crossing Project

STATE HIGHWAY PROJECTS TO BE PLACED UNDER WAY BY JUNE 30, 1947

Prob date bid opening	Co-Rte-Sec	Description	Approximate mileage	Classification	Estimated contract construction cost	Estimated contract expenditures to 6/30/47	Estimated contract expenditures to complete	Estimated right of way expenditures to 6/30/47	Estimated right of way expenditures to complete
2/6/47	XI-S D-78-B,C	0 9 mi E of Santa Ysabel to 2 4 mi W of Julian, grade and surface	1 3	S	$120,000	$75,000	$54,000	$3,000	$2,960
2/14/47	II-Sha-20-C	Sacramento River at Redding, bridge substructure[1]		S-PW	337,000	100,000	237,000		
2/13/47	IV-S M-68-F,Burl	0.3 mi S of S P underpass to Broadway in Burlingame, substructures[2]		U-PW	493,000	150,000	343,000		
2/13/47	V-S B-2-S B	Park Place to Rancheria St substructure for Salsipuedes Overhead[3]		U-PW	275,200	100,000	175,200		
2/19/47	III-Gle-45-B,C	Sacramento River at Butte City, bridge substructure, Rasor Slough bridge and approaches[4]	0 6	S-PW	339,000	100,000	239,000		
2/20/47	VII-L A-4-G	Palomas Creek to Violin Siddle, grade and surface[5]	2 6	FAP-PW	976,000	300,000	676,000		
2/20/47	VII-L A-60-RdoB,HmB	In Redondo Beach and Hermosa Beach, traffic signals[6]		S	61,000	61,000	0	0	0
2/20/47	VII-L A-2-L A	Santa Ana Freeway at Soto St, structure[7]		U-PW	211,000	100,000	111,000		
2/26/47	III-Pla-17-C	Wise Canal to Rock Creek, grade, surface, and structures[8]	1 9	FAP-PW	266,600	50,000	216,600		
2/20/47	VI-Tul-129-E	At Yokohl Creek, bridge and approaches	0 5	S-PW	81,300	60,000	21,300	400	900
2/26/47	VI-Tul-4-A	At White River Sink, bridge and approaches	0 1	S	30,000	20,000	10,000	0	0
2/26/47	I-Nap,Lak-49-A,A	At St Helena Creek, bridges and approaches	0 8	S	211,100	40,000	171,100	5,025	0
2/26/47	V-S B-2-J	Sheffield Dr to San Ysidro Rd, grade, pave, and structures	1 3	U-PW	325,000	100,000	225,000	193 500	0
2/26/47	VI-Tul-132-A,Vis	Parkwood Creek to Route 10, grade and surface	2 3	S-PW	228,000	75,000	153,000	34,000	0
2/27/47	XI-S D-2-S D	Switzer Canyon Overhead, redeck[9]		S	50,000	50,000	0	0	0
2/27/47	VIII-SBd-43-L	1 2 mi E of Victorville to Victorville, grade and surface	1 4	S	154,000	90,000	64,000	2,000	1,600
3/47	II-Sis-3-C	At Bailey Hill and Cottonwood Creek, grade separation and bridge[10]		FAP-PW	325,000	100,000	225,000		
3/47	IV-Ala-5-B	San Miguel Ave to Castro Valley Blvd, storm drain[11]		S	11,000	11,000	0	0	0
3/47	IV-Ala-69-C	Lewelling Blvd to Oakland City Limits, storm drain (State's share)		S	3,114	3,114	0	0	0
3/47	I-Men-1-I	Rattlesnake Creek bridge, redeck		S	15,000	15,000	0	0	0
3/47	I-Hum-20-C	At Redwood Creek, reconstruct bridge		S	25,000	20,000	5,000	0	0
3/47	I-Lak-89-C	Kelsey Creek at Cobb, bridge and approaches	0 3	S	25,300	10,000	15,300	2,000	800
3/47	II-Sha-3,20-Rdg,C	Approaches to Sacramento River Bridge at Redding[12]	1 3	S-PW	190,000	70,000	120,000		
3/47	VII-Ven-2-C,Ven	At intersections with Telephone Rd and Telegraph Rd, traffic signals[13]		FAP-PW	37,100	15,000	22,100		
3/47	IV-SCl-5,68-A,B	At intersection Rte 5 and 68, traffic signals and channelization		S	10,000	10,000	0	0	0
3/47	IV-C C-14,69-ECr	At Cutting Blvd and Potrero Ave, traffic signals		S	9,750	8,000	1,750	0	0
3/47	IV-S M-68-A	At Geneva Ave, traffic signals and channelization		S	36,000	36,000	0	0	0
3/47	IV-S M-68-A	At Visitacion Valley, traffic signals and channelization		S	40,000	40,000	0	0	0
3/47	IV-SCl-2-B	At Coyote, install truck scales (State's share)[14]		S	10,000	10,000	0	0	0
3/47	IV-SCl-32-C	Merced County Line to 3 mi W (portions), widening	3 0	S	10,000	10,000	0	0	0

3/47	VIII-SBd-58-P	11 mi E of Needles to Red Rock Bridge, grade and surface 2 9	S	895,000	80,000	15,000	1,200	600
3/47	IX-Iny,Ker-23-G,E	Five Mile Canyon and Indian Wells Canyon, grade, surface and structures 2 7	FAP-PW	188,000	50,000	138,000	800	500
3/47	XI-Imp-26-F,Imp,G,Brw	El Centro to Brawley, grade, pave and structures 13 1	FAP-PW	1,560,000	500,000	1,060,000	135,900	0
3/47	XI-S D-77-S D,A	Ash St to 0 5 mi N of north city limits, landscaping[15]	U-PW	112,000	20,000	92,000		
3/47	II-Mod-28-A,B	Lassen County Line to Alturas, repair bridges	S	65,500	20,000	45,500	0	0
3/47	VII-Ora-2-B	Galvan to Irvine, culverts	S	85,000	20,000	65,000	0	0
3/47	X-S J-97-A	At Calaveras River, bridge and approaches	S	72,000	5,000	67,000	4,300	0
3/47	VIII-SBd-26-D	Etiwanda Ave to Mulberry Ave, grade pave, and structures[16] 0 9	FAP-PW	510,700	200,000	310,700		
4/47	V-SLO-2-D	Near Santa Margarita, install truck scales	S	15,500	10,000	5,500	0	0
4/47	V-SBt-119-C	At Ranch Creek, bridge and approaches	S	7,000	5,000	2,000	0	0
4/47	VII-Ora-183-A	At Springdale Ditch, replace bridge	S	6,500	5,000	1,500	0	0
4/47	VII-L A-162-A	On Santa Monica Blvd, 10 intersections, traffic signals (State's share)[17]	S	65,700	20,000	45,700	0	0
4/47	XI-S D-200-B	At Dulzura Creek, bridge and approaches	S	100,000	40,000	60,000	0	0
4/47	I-Hum-20-B,C	Korbel Rd to one mi E of Redwood Creek, grade and surface (State's share)[18]	S-FHA	214,000	200,000	14,000	0	0
4/47	II-Tri-20-A	At East Weaver Creek, bridge and approaches 0 2	S	68,600	20,000	48,600	300	200
4/47	III-Nev-25-Nev C,A	Nevada City to 1¼ mi northwesterly, surface 1 8	S	39,000	30,000	9,000	0	0
4/47	IV-Ala-5-Oak	Bay Bridge to Distribution Structure, grade and pave (State's share)[19] 1 7	S	575,000	100,000	475,000	10,000	0
4/47	IV-SCr,S M-56-C,A	Waddell Creek to Finney Creek, grade, surface and structures (State's share)[20] 1 4	FAP	600,000	200,000	400,000	6,000	0
4/47	IV-S M-68-SSF	S P R R Overhead and Beltline RR, substructures[21]	U-PW	481,000	100,000	381,000		
4/47	VII-L A-26,77-C,A	Intersection of Holt and Bellevue Aves, traffic signals and channelization	S	99,600	20,000	79,600	0	0

[1] See #18 R/W Tabulation
[2] See #31 R/W Tabulation
[3] See #66 R/W Tabulation
[4] See #29 R/W Tabulation
[5] See #89 R/W Tabulation
[6] One-fourth cent funds
[7] See #82 R/W Tabulation
[8] See #31B R/W Tabulation
[9] One fourth cent state highway funds
[10] See #17 R/W Tabulation
[11] $5,500 county funds included in project
[12] See #18 R/W Tabulation
[13] See #93 R/W Tabulation
[14] $5,000 county funds to be included in contract
[15] See #116 R/W Tabulation
[16] See #106 R/W Tabulation $95,500 railroad funds included in project
[17] $31,100 county funds included in project
[18] $106,500 federal funds included in project
[19] $275,000 Bay Bridge construction funds included in project
[20] $300,000 county funds included in contract
[21] See #73 R/W Tabulation

STATE HIGHWAY PROJECTS TO BE PLACED UNDER WAY BY JUNE 30, 1947—Continued

Prob date bid opening	Co-Rte-Sec	Description	Approximate mileage	Classification	Estimated contract construction cost	Estimated contract expenditures to 6/30/47	Estimated contract expenditures to complete	Estimated right of way expenditures to 6/30/47	Estimated right of way expenditures to complete
4/47	VIII-SBd-190-A	At Day Canyon Creek, bridge and approaches		S	$42,000	$10,000	$32,000	0	0
4/47	IX-Ker-23-D	Ricardo to Freeman Station, grade and surface[22]	1 6	FAP-PW	142,000	20,000	122,000		
4/47	X-Sac-11-C	At Three Mile Slough, bridge substructure[23]		S	225,000	50,000	175,000		
4/47	X-Sol-90-Vac	Through Vacaville, resurfacing[24]		S	22,500	10,000	12,500	0	0
4/47	XI-Imp-12-C	At New River, grade, surface, and culverts		FAP	160,000	50,000	110,000	0	0
4/47	X-Sta,S J-4-B,A	At Stanislaus River, bridge[25]		FAP-PW	412,000	50,000	362,000		
5/47	V-S B-2-S B	Park Place to Rancheria St, grade and pave[26]	2 2	U-PW	794,800	100,000	694,800		
5/47	VII-L A-2-L A	Eastman St to Alisо St (portions), grade, pave and structures[27]		U-PW	639,200	100,000	539,200		
5/47	I-Hum-84,46-B,C,D	Klamath River at Weitchpec, bridge and approaches	0 7	FL-PW	626,000	100,000	526,000	$10,300	$300
5/47	II-Teh-3-D	Mill Race Creek to Red Bluff, grade and surface[28]	2 8	FAP-PW	131,600	30,000	101,600		
5/47	II-Las-29-A	West County Boundary to Westwood, grade and surface	3 4	S	75,000	20,000	55,000	1,000	0
5/47	V-SLO-2-D	San Luis Obispo to Cuesta Grade, grade and pave	2 7	FAP-PW	605,000	100,000	505,000	62,600	7,400
5/47	VII-L A-2-L A	Alisо St to Vermont Ave (portions), structures and approaches[29]		U-PW	2,447,900	300,000	2,147,900		
5/47	VII-L A-165-L A	Adobe St to Fifth St. (portions), structures and approaches[30]		U-PW	1,360,600	200,000	1,160,600		
5/47	VIII-SBd-9-A	At Day Canyon Creek, bridge and approaches		S	50,000	5,000	45,000	0	0
5/47	III-Nev-17-B	1 5 mi N. of Rattlesnake Creek to Grass Valley, grade and surface	3 8	FAP	387,000	25,000	362,000	7,000	0
5/47	III-Yol-50-E	At Yolo Bypass, replace bridge		S	30,000	5,000	25,000	0	0
5/47	IV-C.C-14-B	In Rodeo, widening		S	13,200	3,000	10,200	0	0
5/47	IV-Ala-69-Oak	South City Limits to 6th and Oak Sts (portions), grading and structures[31]	2 9	U-PW	2,143,300	300,000	1,843,300		
5/47	V-Mon-56-A	At Salmon Creek, reconstruct bridge		S	54,400	2,000	52,400	1,000	1,000
5/47	VI-Ker-58-L	At Kern River, remove old bridge		S	12,300	3,000	9,300	0	0
5/47	VII-L A-2-L.A	Barham Overpass to Vineland Ave, grade pave and structures[32]	1 0	U-PW	1,193,700	300,000	893,700	Acquired by City	
5/47	VII-L A-4-H	Whittaker Summit to Piru Creek, grade, surface and structures[33]	3 9	FAP-PW	1,600,000	200,000	1,400,000		
5/47	X-Sta-13-B	At Wildcat Creek, replace bridge		S	35,000	2,000	33,000	0	0
5/47	VII-Ven-2-D	Ventura Ave to S P. Overpass, drainage correction	0 7	FAP-PW	95,000	5,000	90,000	800	9,900

6/47	I-Men-56-E	At Noyo River, bridge superstructure[24]		FAP-PW	436,600	0	436,600		
6/47	IV-S F-2-S F	Alemany Blvd, Mission St to Station 36, grade and pave (State's share)[25]		S	98,000	98,000	0		
6/47	IV-S F-68-S F	Bayshore Blvd, Main St to Waterloo Rd, grade and pave (State's share)		S	96,000	96,000	0		
6/47	VI-Ker-4-141-Bkd, G,DA	Bakersfield to Snow Rd, grade, pave and structures	3 6	FAP-PW	1,175,000	100,000	1,075,000	229,000	32,100
6/47	VI-Fre-4-Fre	At Monterey St, grade separation and approaches[26]		FAGH	1,549,000	0	1,549,000	200,000	255,000
6/47	VI-Ker-58-E,F	Keene to Tehachapi, superstructures[27]		FAP-PW	285,200	0	285,200		
6/47	VII-L A-2-L.A	Vermont Ave to Highland Ave. (portions), structures and approaches[28]		U-PW	900,000	0	900,000	3,939,000	8,561,000
6/47	VIII-SBd-207-A	City Creek Rd, Rt 190 to Rt. 43 (portions), grade, surface and structures[29]	5 0	S	176,500	30,000	146,500		
6/47	IV-S M-68-SSF	SPRR Overhead, Beltline RR, Colma Creek, structures[30]		U-PW	382,900	0	382,900		
By 6/47	Various	79 projects, 1947 Repair Program	315	S	3,296,550	1,000,000	2,296,550	0	0
	Totals				$31,567,814	$6,788,114	$24,779,700	$4,849,125	$8,875,260

[22] See #110 R/W Tabulation
[23] See #131 R/W Tabulation
[24] $10,000 one-fourth cent funds included in project.
[25] See #59 R/W Tabulation
[26] See #66 R/W Tabulation.
[27] See #82 R/W Tabulation
[28] See #14 R/W Tabulation
[29] See #81 R/W Tabulation
[30] See #85 R/W Tabulation
[31] See #35 R/W Tabulation
[32] $591,200 one-fourth cent funds included in project
[33] See #89 R/W Tabulation
[34] See #10A R/W Tabulation
[35] Payment to be made to city
[36] $1,299,000 federal grade crossing funds to be included in contract.
[37] See #75 R/W Tabulation
[38] R/W cost for entire project
[39] See #107 R/W Tabulation To be included in Ninety-ninth Fiscal Year project
[40] See #33 R/W Tabulation

FEDERAL AID SECONDARY (COUNTY HIGHWAY) PROJECTS TO BE PLACED UNDER WAY BY JUNE 30, 1947

Probable date of bid opening	Co., Rte., Sec	Description	Approximate mileage	Classification	Estimated contract construction cost	Estimated contract expenditures to 6/30/47	Estimated contract expenditures to complete
		DISTRICT I					
3/12/47	Hum-Sec S-970(1)	State Highway 1 mi S of Eureka southeasterly about 2.5 mi., grade and strengthen base	2.5	FAS	$75,000	$20,000	$55,000
3/12/47	Hum-Sec S-968(1)	Blue Lake to Korbel, Gr 2 lane base, seal coat	1.4		60,000	15,000	45,000
6/18/47	Lake-Sec S-1039(1)	Lower Lake northwesterly to Jct. with S H. 89 (portions)	5.3		170,000	0	170,000
		Lower Lake-Kelseyville Rd., grade, base and seal coat					
3/12/47	Men-Sec S-505(3)	Portions bet. Longvale and Covelo, grade, base	2.9		206,000	90,000	116,000
6/ 5/47	Men-Sec S-982(1)	At Chamberlin Creek, bridge			40,000	0	40,000
		DISTRICT II					
6/18/47	Teh-Sec S-1078(1)	Across Thomes Creek at Henleyville, bridge and approaches	0.1		105,000	0	105,000
6/18/47	Teh-Sec S-1082(1)	Across Reeds Creek S. of Red Bluff, bridge			78,000	0	78,000
		DISTRICT III					
2/19/47	But-Sec S-1046(1)	Bidwell Bar, bridge across South Fork Feather River			95,000	60,000	35,000
5/ 7/47	But-Sec S-757(1)	De Sabla to Sterling City, grade and surface	6.9		210,000	30,000	180,000
5/14/47	Col-Sec S-758(1)	Sacramento River at Colusa, new deck, bracing			150,000	0	150,000
3/ 5/47	Sac-Sec S-937(1)	Howe Ave., Fair Oaks Blvd. to Arden Way, grade, crusher run base, armor coat	2.1		55,000	55,000	0
4/ 9/47	Sac-Sec S-929(1)	Marconi Ave., Ben Ali to Fair Oaks Blvd., resurface	5.2		70,000	50,000	20,000
2/19/47	Sac-Sec S-537(1)	Arcade Creek at Madison Ave., bridge	0.1		26,000	26,000	0
2/19/47	Yol-Sec S-1152(1)	Cache Creek near Capay (Repair and lengthen)	0.1		50,000	50,000	0
2/19/47	S-1154(1)	Chuchahonnny Slough E. of Winters (Existing Bridges)					
6/18/47	Yub-Sec S-921(1)	FAS 922 to Plumas School—portions—grade and base, bridge at Dry Creek, bridge at Best Slough	1.2		80,000	0	80,000
5/ 7/47	E D-Sec S-1099	Georgetown to Virner, grade, gravel surface, seal coat	6.8		82,000	0	82,000
		DISTRICT IV					
6/18/47	C C-Sec S-707(1)	Pacheco Slough at Avon, draw bridge			250,000	0	250,000
3/26/47	Nap-Sec S-607(3)	Silverado Trail (3 sections), grade, armor coat, bridge	4.7		105,000	60,000	45,000
2/26/47	SCl-Sec S-1159(2)	Fourth St. Extension NCL San Jose to Bayshore Highway, grade, surface	1.2		96,000	96,000	0
4/ 9/47	SCl-Sec S-1000(2)	Stevens Creek Rd., Saratoga Ave. to SH 114, 4-lane divided, grade, surface	3.4		225,000	50,000	175,000
5/28/47	Son-Sec S-788(1)	Russian River at Jimtown, bridge and approaches	0.6		311,000	0	311,000
		DISTRICT V					
3/26/47	SBt-Sec S-671(2)	On SH 119, 2.3 mi S. of Hollister to Hollister, crusher run base and surface	2.5		180,000	60,000	120,000
3/ 5/47	SLO-Sec S-683(3)	SH 56 about 1 mi N. of Guadalupe northeasterly about 2.6 mi., grade, surface, seal coat	2.6		75,000	15,000	60,000
3/ 5/47	SLO-Sec S-1086(1)	Las Pilitas Rd., portions bet. SH 137 and Rinconada, grade and surface	5.5		80,000	20,000	60,000
3/26/47	S B-Sec S-601(1)	S B-149-D, portions bet. Buellton and Santa Ynez, grade and surface	2.2		140,000	40,000	100,000

	DISTRICT VI						
4/23/47	Fre-Sec S-568(2)	Highland Ave -Kings Co Line to Conejo Ave —grade, crusher run base, surface	5 7	FAS	150,000	30,000	120,000
4/16/47	Fre-Sec S-823(1)	Reed Ave -Manning Ave to SH 41 at Minkler—grade, surface, bridge	8.2		150,000	30,000	120,000
3/19/47	Fre & Kin S-623(1)	Kings River Bridge at Hardwick			160,000	60,000	100,000
2/19/47	Ker-Sec S-575(1)	Kern River Bridge near Stockdale			96,000	50,000	46,000
4/30/47	Ker-Sec S-889(1)	Wasco to Tulare County Line—grade, surface	13 7		240,000	30,000	210,000
3/26/47	Ker-Sec S-884(1)	Comanche Rd —1,000 ft S. of Panama Lane to SH 58—grade, surface	3 4		55,000	55,000	0
3/26/47	Mad-Sec S-962(1)	Fine Gold Creek—bridge and approaches	0 3		85,000	0	85,000
3/26/47	Mad-Sec SG-560(1)	Under tracks of A T & S F E of Madera—underpass	0 5		155,000	40,000	115,000
3/12/47	Tul-Sec S-1136(1)	St Johns River, Bridge Rd , 21.5 N at 41¼ E			85,000	40,000	45,000
3/12/47	Tul-Sec S-1138(1)	St Johns River, Bridge Rd , 17 N at 39 8 E			107,000	50,000	57,000
4/16/47	Tul S-1128,1129, 1130(1)	Portions on Rd 20E, 22E, 24½ N —grade, surface	13 1		257,000	20,000	237,000
3/19/47	Tul S-1130	White River Bridge, Rd 24½ N			22,000	22,000	0
	DISTRICT VII						
4/24/47	L A-Sec S-830(1)	Over S P tracks and S Cl R S. of Acton Bridge, grade approaches	0 2		230,000	20,000	210,000
4/24/47	Ven-Sec S-868(1)	Pleasant Valley Rd-Ventura County R R to FA Rd 7, surface	6 5		175,000	20,000	155,000
	DISTRICT VIII						
2/22/47	Riv-Sec S-706(1)	Crestmore Rd , Mission Blvd to SBd Co Line—grade, surface	2 9		145,000	80,000	65,000
3/13/47	SBd-Sec S-712(1)	Waterman Ave , Barton Rd to Mill St —grade, surface, 2 bridges	2 8		380,000	80,000	300,000
3/27/47	SBd-Sec S-706(2)	Bloomington Ave , Valley Blvd to Riverside Ave —grade and surface	2 1		55,000	10,000	45,000
4/24/47	SBd-Sec S-695(1)	Archibald Ave , Cloverdale Ave to Valley Blvd —grade and surface	6 0		215,000	20,000	195,000
	DISTRICT IX						
3/ 5/47	Iny-Sec S-1070(1)	Portions on Warm Springs Rd and Poleta Rd —grade, penetration treatment, 2 timber bridges	4 4		120,000	60,000	60,000
	DISTRICT X						
4/16/47	Ama-Sec S-951(1)	SH 34 near Pioneer Sta to Mokelumne River—grade, surface			250,000	50,000	200,000
6/18/47	S J -Sec S-901(1)	Mokelumne River Bridge and approaches on Peltier Rd	1 0		242,000	0	242,000
3/ 5/47	Sol S-1106,1108, 1110(1)	Pleasants Creek—2 bridges; Alamo Creek—2 bridges, tributary to Putah Creek—Box culvert			85,000	60,000	25,000
4/16/47	Sta-Sec S-912(1)	Tuolumne River Bridge and approaches at Empire	0 95		200,000	40,000	160,000
	DISTRICT XI						
5/23/47	S D-Sec S-732(1)	Alvarado Rd -Fairmont Ave to La Mesa—grade and surface	4.7		415,000	0	415,000
		Total			$7,088,000	$1,604,000	$5,484,000

ESTIMATED RIGHT OF WAY COSTS AND EXPENDITURES

P.W.P No.	Co., Rte., Sec	Description	Estimated R/W expenditures to June 30, 1947	Estimated R/W expenditures required to complete
4	I-1-C,D	1.5 mi S of Forsythe Creek Bridge to Ridgewood Summit	$30,600	$14,000
10A	I-Men-56-E	Mitchell and Hare Creek and Noyo River	57,000	0
10C	I-Lak-89-E	1.2 mi N of Rodman Narrows Rd to Rte. 15	20,400	0
14	II-Teh-3-D	Mill Race Creek Bridge to Red Bluff	41,900	100
17	II-Sis-3-C	Camp Lowe to Bailey Hill	37,700	10,900
18	II-Sha-20-C	Sacramento River Bridge approaches	15,400	0
23	III-Yub-,Sut-3-Mvl,Y C	At Feather River Bridge	119,100	0
24	III-E,D-11-A,B	2¼ mi E. Clarksville to 1¼ mi W of El Dorado	30,400	1,400
31A	III-Pla-17,37-B,Aub,A	0.1 mi W. of Nevada St in Auburn to 1.0 mi E of Auburn	211,500	1,000
31B	III-Pla-17-Aub,C	New Route 37 in Auburn to United States General Hospital	48,100	0
31C	III-Col-7-A,B	Arbuckle to 4 mi S of Williams	6,600	100
29	III-Gle-45-B,C	¼ mi W of Sacramento River to Butte City	9,600	0
33	IV-S M-68-SSF	N City Limits of South San Francisco to 0.3 mi S of Southern Pacific Underpass	448,300	118,600
34	IV-S M-68-SSF,B,Burl	0.3 mi S of Southern Pacific Underpass to Peninsular Ave	649,600	25,400
39	IV-SCl-2-SJs,E	Santa Clara Ave in San Jose to Ford Rd	584,300	0
35	IV-Ala-69-Oak	Sixth and Oak Sts to High St in Oakland	1,479,300	1,220,700
36	IV-Ala-69-Oak	South City Limits of Oakland to High St	223,600	1,400
40	IV-Ala,C C-69-Ber, Alb, Rch,ECr	N City Limits of Emeryville to Jct of Rtes 69 and 14	300,300	144,300
44	V-Mon,SBt-2-J,B	Santa Rita Mesa to Chittenden Rd	154,000	4,000
65	V-S B-2-P Q	Hollister Wye to Elwood Overhead	380,000	80,100
66	V-S B-2-S B	Park Place to Rancheria St	695,000	55,300
85	VII-L A-165-L A	Harbor Freeway, from Adobe to Fifth St	1,857,000	2,643,000
72	VI-Ker-4-C,Bkd	1 mi S of Bakersfield to N City Limits	200	0
73A	VI-Ker,Tul-129-AB,A	Rte 4 to Ducor	23,900	0
75	VI-Ker-58-E,F	Keene to Tehachapi	7,100	500
81	VII-L A-2-L A	Hollywood Freeway, Alhso St Bridge to Vermont Ave	5,653,000	629,000
82	VII-L A-2-L A D	Santa Ana Freeway, Downey Rd to Alhso St Bridge	2,319,000	323,000
89	VII-L A-4-G,H	Ridge Rte, Tunnel Sta to N. County Boundary (portions)	16,000	0
93	VII-Ven-2-C	El Rio to Ventura	227,000	8,700
95	VII-Ora-60-C	Laguna Beach to Dana Point (Serra)	0	0

105A	VIII-SBd,Riv-19-A, Ont,B,A	Los Angeles County Line to 1 mi E of Mira Loma	501,400	48,600
106	VIII-SBd-26-D	Ontario to Colton	384,400	40,600
107	VIII-SBd-207-A	Rte. 190 to Rte 43, City Creek Rd	142,400	67,600
110	IX-Ker-23-D	Ricardo to Freeman Station (Portions)	1,700	100
111	IX-Ker-58-G	Cameron to Mojave	2,500	1,100
59	X-Sta,S J-4-B,A	Salida to 0 5 mi N. of Ripon	262,200	4,800
120	XI-Imp-26-B,C	Trifolium Canal to 2 mi N. of Sandy Beach	1,300	13,700
116	XI-S.D-77-S D,A	"A" St. to ½ mi N. of San Diego City Limits	424,200	600
131	X-Sac-11-C	At Three Mile Slough	0	2,000
132	XI-S D,Ora-2-Oen,C, D,SCle	Oceanside to 1 mi N of Orange Co. Line[2]	25,650	0
TI	VII-L A-Feeder	Terminal Island Access Roads	950,000	140,640
		Totals	$18,341,650	$5,601,240

[1] R/W acquired

[2] Acess funds, $1,010,140, state funds Route 60, $80,500

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Speaker Collins and Messrs. Price and Hinckley, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Cornelius De Bakesy of Fontana.

On request of Mr. McMillan, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Joseph F. Landis of Cleveland, Ohio.

On request of Mr. Evans, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to D. D. McClurg and Rollen Haslam of Los Angeles.

On request of Mr. Lowrey, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to H. K. Shirk of Corning.

On request of Mr. Waters, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Ezra Scattergood of Los Angeles.

ADJOURNMENT

At 11 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11 a.m., Monday, March 10, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

TWENTY-FOURTH LEGISLATIVE DAY
FIFTY-SEVENTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Monday, March 10, 1947

The Assembly met at 11 a.m.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Brady, Brown, Burke, Burns, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thurman, Waters, Wollenberg, and Mr. Speaker—73.

Quorum present.

PRAYER

Upon invitation of the Speaker the following prayer was offered by Monsignor Thomas A. Kirby:

We implore Thee, O Almighty God, look down mercifully upon this Thy family: may its body be governed by Thy generosity and may its spirit be guarded by Thy safekeeping, through Christ Our Lord—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Dolwig, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. Boyd, on motion of Mr. Knight.

The following members were granted leaves of absence for the day, because of legislative business elsewhere:

Mr. Thorp, on motion of Mr. Clarke.

Mr. Geddes, on motion of Mr. Hollibaugh.

Mr. Weber, on motion of Mr. Hollibaugh.

Mr. Price, on motion of Mr. Stanley.

The following member was granted leave of absence for the day, and desired to waive his per diem:

Mr. Butters, on motion of Mr. Davis.

PLEDGE OF ALLEGIANCE TO THE FLAG

Upon request of the Speaker, the Assembly gave the pledge of allegiance to the Flag.

EXPRESSION OF WELCOME

Speaker Collins expressed, on behalf of the Members of the Assembly, their pleasure that Messrs. Burns and Dolwig have recovered from their recent illnesses, and are again able to be at their desks.

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following resolution was offered:

Assembly Joint Resolution No. 3: By Mr. Cooke—Relative to memorializing the President and the Congress of the United States to effect legislation which will permit the use of decommissioned hospital ships by state and city agencies.

Referred to Committee on Rules.

CONSIDERATION OF DAILY FILE
SECOND READING OF ASSEMBLY BILLS

Assembly Bill No. 27—An act to amend Section 511.9 of the Vehicle Code, relating to speed of vehicles.

Bill read second time, and ordered engrossed.

Assembly Bill No. 28—An act to amend Section 90.1 of, and to add Sections 89.2 and 90.2 to, the Vehicle Code, relating to speed of vehicles.

Bill read second time, and ordered engrossed.

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS (RESUMED)

The following resolution was offered:

Assembly Joint Resolution No. 4: By Messrs. McCollister, Maloney, and Dolwig—Relative to memorializing the Congress to give favorable consideration in making budgetary studies, to assuring the maintenance of an adequate naval force and establishment.

Referred to Committee on Rules.

REQUEST FOR UNANIMOUS CONSENT TO PRINT REPORT

Mr. Hollibaugh asked for unanimous consent that a report, recently given before the Assembly Committee on Revenue and Taxation by Mr. Neil Petree, be ordered printed in the Assembly Journal.

Request ordered referred to the Committee on Rules.

REQUEST FOR UNANIMOUS CONSENT TO USE ASSEMBLY CHAMBER FOR MEETING

Mr. Hollibaugh asked for, and was granted, unanimous consent that the Committee on Revenue and Taxation be permitted to use the Assembly Chamber, this afternoon, at 2 p.m., for the purpose of holding a meeting.

REQUEST FOR UNANIMOUS CONSENT TO USE ASSEMBLY CHAMBER FOR MEETING

Mr. Dunn asked for, and was granted, unanimous consent that the Senate and Assembly Committees on Education be permitted to use the Assembly Chamber, Wednesday, March 12, 1947, at 8 p.m., for the purpose of holding a joint meeting.

CONSIDERATION OF DAILY FILE (RESUMED) THIRD READING OF ASSEMBLY BILLS

Assembly Bill No. 11—An act to amend Section 374 of, and to repeal Sections 162 and 374.5 of, and to add Section 374.5 to, the Vehicle Code, relating to exemptions of and liability for fees of publicly owned vehicles.

Bill read third time.

Motion to Amend

Mr. Thomas moved the adoption of the following amendments:

Amendment No. 1

On page 1, line 8, of the printed bill, after "state", insert "or for any vehicle used in a governmental, as distinguished from proprietary, capacity and owned by any municipality duly organized under the Constitution or laws of this State, nor for any vehicle owned by a volunteer fire department organized under the laws of this State and used exclusively for fire fighting purposes,".

Amendment No. 2

On page 1, lines 12 and 13, of said bill, strike out "other than the State of California,".

Amendment No. 3

On page 1, line 16, of said bill, after "State", insert "(nor for any vehicle operated in a governmental capacity by the State, or by any township, city or county of this State, as lessee under a lease, lease sale or rental purchase agreement which grants possession of the vehicle to the lessee for a period of 12 months or more)".

Amendment No. 4

On page 2, lines 13 and 14, of said bill, strike out "owned by this State and by any department," and insert "which are owned, and operated in a proprietary capacity, by this State or by any department,".

Amendments read.

The roll was called, and the amendments refused adoption by the following vote:

AYES—Bennett, Brady, Burns, Cramer, Crichton, Evans, Grunsky, Johnson, Kilpatrick, Luckel, Robertson, Rosenthal, Sheridan, Silliman, Thomas, Thurman, and Mr. Speaker—17.

NOES—Blosser, Brown, Burke, Caldecott, Carey, Collier, George D. Collins, Conrad, Cooke, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills,

Dolwig, Dunn, Erwin, Field, Fletcher, Gaffney, Gannon, Hahn, Hersinger, Hinton, Hollibaugh, Huyck, Kirkwood, Knight, Loomis, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Sherwin, Stanley, Stephenson, Stewart, Waters, and Wollenberg—42.

Assembly Bill No. 11 passed on file until the next legislative day.

RESOLUTIONS

The following resolution was offered:

By Messrs. Ralph C. Dills, Gaffney, Maloney, Berry, O'Day, Wollenberg, George D. Collins, and Blosser:

House Resolution No. 24

Relative to congratulating Assemblyman and Mrs Bernard Brady upon the birth of their son, Peter Brady

WHEREAS, On February 23, 1947, a long legged bird flying the regular interplanetary model baby cargo express, buzzed the City of San Francisco briefly and a few minutes later delivered to Margaret Brady, wife of our esteemed colleague, Bernard Brady, a son, weight eight pounds one and a half ounces, joyously welcomed as the fourth such event in the Brady family; now, therefore, be it

Resolved by the Assembly of the State of California, That hearty congratulations and felicitations are hereby extended to Assemblyman and Mrs Brady upon the birth of their son, Peter Brady; and be it further

Resolved, That the Secretary of State is hereby requested to send to Peter Brady a copy of the history and Great Seal of the State of California as a fitting token of welcome to this newest citizen of California; and be it further

Resolved, That the Chief Clerk of the Assembly is requested to transmit suitably prepared copies of this resolution to Assemblyman and Mrs. Bernard Brady, and to Peter Brady.

Request for Unanimous Consent

Mr. Ralph C Dills asked for, and was granted, unanimous consent to take up House Resolution No 24, at this time, without reference to committee or file.

Resolution read, and adopted unanimously.

MOTION TO APPROVE JOURNALS

On motion of Mr. Dickey, the Assembly Journals for the First Extraordinary Session of the Fifty-sixth Session for Monday, March 3, 1947; Tuesday, March 4, 1947; Wednesday, March 5, 1947; Thursday, March 6, 1947; and Friday, March 7, 1947, were approved as corrected by the Minute Clerk.

ANNOUNCEMENT OF COMMITTEE MEETINGS

It was announced that the following committees would hold meetings:

At 2 p.m., today, in the Assembly Chamber—
Revenue and Taxation

At 2.30 p.m., today, in Committee Room—
Rules.

At 8 p.m., tonight, in Room 426—
Military Affairs (the Adjutant General will be present).

At 3 p.m., Tuesday, March 11th, in Room 430—
Social Welfare.

At 8 p.m., Wednesday, March 12th, in the Assembly Chamber—
Joint meeting, Senate and Assembly Committees on Education.

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Speaker Collins, and Messrs. Field and Blosser, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Mr. and Mrs. C. Stanley Chapman, C. Stanley Chapman, Jr., and Mary Anne Chapman, of Fullerton.

ADJOURNMENT

At 11.43 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 10 a.m., Tuesday, March 11, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE

FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

TWENTY-FIFTH LEGISLATIVE DAY

FIFTY-EIGHTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO

Tuesday, March 11, 1947

The Assembly met at 10 a.m.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, George D Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T Davis, M. Philip Davis, Debs, Dickey, Clayton A Dills, Ralph C. Dills, Dolwig, Doyle, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, Miller, Niehouse, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Waters, Weber, Wollenberg, and Mr. Speaker—70

Quorum present.

PRAYER

Upon invitation of the Speaker, the following prayer was offered by Monsignor Thomas A. Kirby:

Draw near to us, O Lord Our God, and by Thy ever-ready assistance aid those who call upon Thee. Defend them from all dangers from without, and lead them always along the way of Thy commandments through Christ Our Lord—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Thompson, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. Boyd, on motion of Mr. Grant.

The following members were granted leaves of absence for the day, because of legislative business elsewhere:

Mr. Collier, on motion of Mr. Grant.
Mr. Geddes, on motion of Mr. Doyle.
Mr. Dunn, on motion of Mr. Caldecott.
Mr. Thorp, on motion of Mr. Clarke.
Mr. Price, on motion of Mr. Stanley.
Mr. McMillan, on motion of Mr. Debs.

The following member was granted leave of absence for the day, and desired to waive his per diem:

Mr. Thurman, on motion of Mr. Grunsky.

COMMUNICATIONS

By Speaker Collins:

The following communication was received, read, and ordered printed in the Journal:

UNITED IRISH SOCIETIES OF SAN FRANCISCO
1947 ST. PATRICK'S DAY CONVENTION
Irish-American Hall, 454 Valencia Street, February 11, 1947

Honorable Samuel Collins, Speaker of the Assembly
Sacramento, California

MR. SPEAKER AND HONORABLE MEMBERS
OF THE CALIFORNIA ASSEMBLY

As President of the United Irish Societies of San Francisco, speaking for the entire membership, officers, and delegates of the 1947 Convention for St. Patrick's Day, I sincerely thank the honorable Members of the California State Assembly for setting aside 30 minutes of your most valuable time to pay a just tribute to the patron Saint of Ireland on this seventeenth day of March, 1947.

We of the Irish race and heritage appreciate this recognition by the California State Assembly. Wishing you an enjoyable occasion and assuring you of our continued cooperation when you may desire to call upon us.

Sincerely yours,

THOMAS F. GILLIGAN, President
HERBERT A. KING, Secretary

REPORTS OF STANDING COMMITTEES

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, March 11, 1947

MR. SPEAKER. Your Committee on Legislative Procedure has examined:

Assembly Bill No. 27
Assembly Bill No. 28

And reports the same correctly engrossed.

WEBER, Chairman

Above reported bills ordered to third reading.

Committee on Rules

ASSEMBLY CHAMBER, SACRAMENTO, March 11, 1947

MR. SPEAKER: Your Committee on Rules, to which was referred:

Assembly Joint Resolution No. 3

Has had the same under consideration, and reports the same back with the recommendation: Be adopted.

DICKEY, Chairman

Above reported resolution ordered engrossed.

ASSEMBLY CHAMBER, SACRAMENTO, March 11, 1947

MR SPEAKER: Your Committee on Rules, to which was referred:

Senate Joint Resolution No. 1

Has had the same under consideration, and reports the same back with the recommendation: Be adopted

DICKEY, Chairman

Above reported resolution ordered on file for adoption.

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, March 11, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:

Assembly Joint Resolution No 3

And reports the same correctly engrossed.

WEBER, Chairman

Above reported resolution ordered on file for adoption.

RESOLUTIONS

The following resolution was offered:

By Mr. Dickey:

House Resolution No. 25

Relative to legislative printing

Resolved by the Assembly of the State of California, That the Standing Committee on Rules is authorized and directed to make an immediate investigation and study of the need for additional facilities to provide adequately and economically for the expeditious printing of legislative measures, Journals and other legislative publications and to report thereon to the Assembly, including in its report its recommendations as to the feasibility and desirability of providing for the printing of legislative publications pursuant to contract with the lowest responsible bidder among private printing concerns in the State.

Resolution read, and referred to the Committee on Rules.

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following bills were introduced, and read the first time:

Assembly Bill No. 39: By Mr. Dickey—An act making an appropriation for mileage of the members and officers of the Assembly, without regard to fiscal years, to take effect immediately.

Assembly Bill No. 39 ordered printed, and held at desk without reference to committee.

Assembly Bill No. 40: By Mr. Dickey—An act making an appropriation for the contingent expenses of the Assembly, without regard to fiscal years, including committee expenses, to take effect immediately.

Assembly Bill No. 40 ordered printed, and held at desk without reference to committee.

REQUEST FOR UNANIMOUS CONSENT TO USE ASSEMBLY CHAMBER FOR MEETING

Mr. Hollibaugh asked for, and was granted, unanimous consent that the Committee on Revenue and Taxation be permitted to use the Assembly Chamber this afternoon at 2 p.m., for the purpose of holding a meeting.

RESOLUTIONS

The following resolution was offered:

By Mr. Ralph C. Dills:

House Resolution No. 26

Relating to Compton College

WHEREAS, Compton College was host team to 16 outstanding colleges and junior colleges representing nine western and southwestern states in the 1947 Western States College Basketball Tournament, and

WHEREAS, Compton College successfully eliminated its opponents in the preliminary games and in so doing set a new tournament record of 84 points in defeating Amarillo, Texas during which game Compton players made 39 baskets out of 74 shots for an average score of 63 percent, and

WHEREAS, Compton College battled Phoenix Junior College on Saturday night, March 8th, for the tournament finals, defeating the Arizona team in a five-minute overtime game by a score of 63 to 59; and

WHEREAS, By winning the Western States Basketball Tournament, as well as the Little Rose Bowl football game on December 7, 1946, Compton College has not only won national acclaim for her athletic teams but has advanced the cause of the little colleges nationally; now, therefore, be it

Resolved by the Assembly of the State of California, That the Assembly hereby congratulates the Compton College Basketball Champions, their able coach, Bill Schleibaum, and the efficient and enthusiastic Director of Athletics, "Goldie" Holmes, for their outstanding accomplishments; and be it further

Resolved, That the Chief Clerk of the Assembly is directed to send suitably prepared copies of this resolution to Basketball Coach Bill Schleibaum, Director of Athletics, "Goldie" Holmes, and Dr. O. Scott Thompson, President of Compton College

Request for Unanimous Consent

Mr. Ralph C. Dills asked for, and was granted, unanimous consent to take up House Resolution No. 26, at this time, without reference to committee or file.

Resolution read, and adopted.

ANNOUNCEMENTS

Mr. McCollister announced that a luncheon will be held upstairs, in Bedell's Restaurant, today, at 12:30 p.m., for the purpose of discussing Angel Island; that the Lieutenant Governor and state department heads will be present; and that all Members of the Assembly are urged to be present.

REQUEST FOR UNANIMOUS CONSENT

Mr. Cooke asked for, and was granted, unanimous consent to take up Assembly Joint Resolution No. 3, at this time, without reference to file.

CONSIDERATION OF ASSEMBLY JOINT RESOLUTION NO. 3

Assembly Joint Resolution No. 3—Relative to memorializing the President and the Congress of the United States to effect legislation which will permit the use of decommissioned hospital ships by state and city agencies.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Allen, Anderson, Beck, Bennett, Berry, Blosser, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, George D Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, Debs, Dickey, Clayton A. Dills, Ralph C Dills, Dolwig, Doyle, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, Miller, Niehouse, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Waters, Weber, Wollenberg, and Mr. Speaker—67.

NOES—None.

Resolution ordered transmitted to the Senate.

ANNOUNCEMENTS

Mr. Hollibaugh announced that a luncheon will be held at the Hotel Senator at noon today for the members of the Southern California Delegation.

RESOLUTIONS

The following resolution was offered:

By Messrs. Gannon, Thurman, Heisinger, Lowrey, Weber, and Field:

House Resolution No. 27

Relative to Arthur B. Waugh

WHEREAS, The Members of this Assembly are shocked and grieved to learn of the death on March 10, 1947, of Arthur B. Waugh, who had given many years of service to the State of California, and was personally known to and esteemed as a friend by many Members of this Assembly; and

WHEREAS, Arthur B. Waugh, as a newspaper reporter and editor, had enjoyed a successful career through a wide field of experience for newspapers in El Paso, Albuquerque, and in California for the *San Francisco Bulletin*, the *Sacramento Union*, and the *Sacramento Bee*, including his work while Associate Editor for the *Bee* in 1934 when he wrote a series of articles exposing political corruption in Nevada which won for his newspaper the Pulitzer award for the most distinguished and meritorious public service by an American newspaper during the year; and covered several sessions of the California Legislature; and

WHEREAS, Born in West Virginia, Arthur B. Waugh at the time of his death had reached the age of 52 years, was a veteran of World War I; an ardent sportsman and fisherman; he leaves a host of warm friends, and is survived by his widow, Mrs. Jennette Waugh, and his sons Arthur B. and George H. Waugh, now, therefore, be it

Resolved by the Assembly of the State of California, That the Members of this Assembly by this resolution express their profound regret upon the death of Arthur B. Waugh, and extend sympathy to his family in their loss; and be it further

Resolved, That the Chief Clerk of the Assembly send suitably prepared copies of this resolution to the family of Arthur B. Waugh

Request for Unanimous Consent

Mr. Gannon asked for, and was granted, unanimous consent to take up House Resolution No. 27, at this time, without reference to committee or file.

Resolution read, and adopted unanimously.

REQUEST FOR UNANIMOUS CONSENT THAT RECESS BE DECLARED AT 10.30 A.M. ON WEDNESDAY, MARCH 12TH

Mr. Allen asked for, and was granted, unanimous consent that at 10.30 a.m., on Wednesday, March 12th, the Assembly declare a 10-minute recess for the purpose of inviting to the rostrum, for remarks, the National Commander and Chief of the Veterans of Foreign Wars of the United States, the Hon. Louis V. Starr

ANNOUNCEMENT OF APPOINTMENT OF SELECT COMMITTEE

Speaker Collins announced the appointment of Messrs. Allen, Grunsky, Caldecott, Cooke, and Collier as a Select Committee to escort to the rostrum, tomorrow, the National Commander and Chief of the Veterans of Foreign Wars of the United States, the Hon. Louis V. Starr.

REQUEST FOR UNANIMOUS CONSENT TO TEMPORARILY SUSPEND THE RULES

Mr. Dickey asked for, and was granted, unanimous consent that the Rules be temporarily suspended for the purpose of considering amendments to the Permanent Standing Rules of the Assembly, as adopted by the Assembly in the Fifty-seventh (General) Session of the Legislature, and adopted by reference at this First Extraordinary Session, and printed in the Daily Journal of the General Session on Wednesday, February 5, 1947, commencing on page 50.

Consideration of Committee Amendments

The following amendments were proposed by the Committee on Rules:

Amendments to Permanent Standing Rules of the Assembly as Printed in Assembly Journal for February 5, 1947, Commencing at Page 50

Amendment No. 1

Immediately preceding Rule 28, as printed on page 58, insert as a heading "*Pledging Allegiance to the Flag*".

Amendment No. 2

In Rule 31, as printed on page 59, strike out "by the Speaker or by a majority vote of the members present", and insert "by a recorded vote of two-thirds of the elected membership".

Amendment No. 3

In the second line of Rule 63, as printed on page 65, strike out "Rule 38", and insert "Rule 62".

Amendment No. 4

In the last line of Rule 73, as printed on page 67, strike out "Rule 70", and insert "Rule 68".

Amendments read.

The roll was called, and the amendments adopted by the following vote:

AYES—Anderson, Bennett, Berry, Blosser, Brown, Burke, Burns, Butters, Caldecott, Carey, George D. Collins, Conrad, Cooke, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Erwin, Field, Fletcher, Gaffney, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, Miller, Niehouse, Robertson, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Waters, Weber, Wollenberg, and Mr. Speaker—61.

NOES—None.

REQUEST FOR UNANIMOUS CONSENT THAT NUMBERS OF ASSEMBLY BILLS TO BE CONSIDERED AT MEETING BE PRINTED IN JOURNAL

Mr. Dunn asked for, and was granted, unanimous consent that in the announcement of committee meetings it be noted in the Journal that the Senate and Assembly Committees on Education will consider Assembly Bills Nos. 2120 and 2273 at their joint meeting tomorrow night, Wednesday, March 12th.

ANNOUNCEMENT OF COMMITTEE MEETINGS

It was announced that the following committees would hold meetings:

At 2 p.m., today, in the Assembly Chamber—
Revenue and Taxation.

At 2 p.m., today, in Committee Room—
Subcommittee on Ways and Means.

At 3 p.m., today, in Room 126—
Social Welfare.

At 8 p.m., Wednesday, March 12th, in the Assembly Chamber—
Joint meeting, Senate and Assembly Committees on Education. (Assembly Bills Nos. 2120 and 2273 will be considered.)

REQUEST FOR UNANIMOUS CONSENT THAT TRANSCRIPT RELATIVE TO STATE HIGHWAY SYSTEM BE ORDERED PRINTED IN JOURNAL

Mr. Hollibaugh asked for, and was granted, unanimous consent that the following transcript, taken at a hearing before the Committee on Revenue and Taxation, on the California State Highway System, be ordered printed in the Journal, in 10-point type:

HEARING BEFORE THE COMMITTEE ON REVENUE AND TAXATION ON THE CALIFORNIA STATE HIGHWAY SYSTEM

Assembly Chamber, State Capitol
Sacramento, California, March 4, 1947

Tuesday, March 4, 1947, 2 p.m.

CHAIRMAN HOLLIBAUGH. The Revenue and Taxation Committee will come to order I will call the roll first, and I would like as many of you as can to sit up here in front.

(Thereupon the roll call was taken, showing the following members present:)

John Evans	Laughlin Waters
Ernest Geddes	Alfred Robertson
Augustus Hawkins	Marvin Sherwin
W. E. James	Vincent Thomas
Robert Kirkwood	Glenn Anderson
T Fenton Knight	Clayton A. Dills
	Jonathan Hollibaugh

Members absent

A. I. Stewart	Charles Conrad
Ralph Brown	Albert Wollenberg

There is a quorum present Well, ladies and gentlemen, as I told the Legislature the other day, it was decided that we would meet and hear the proponents and the opponents of this highway program, all phases of it at one time, or as we go along, rather than taking each bill up one at a time and making it necessary for witnesses to come here several different times It is all in the same program because every bill is some important part of the program so that you can't consider one without considering all of them So we decided to devote the time this afternoon to hear from Mr. Purcell, the Director of the Department of Public Works.

He and his men will explain the program in general and after each one of them has finished talking, any members of the committee may ask questions if they like, and then any Members of the Legislature present in the room may ask any questions you care to. So at this time, I'll ask Mr. Purcell to come forward. He has to leave shortly for another meeting, and we will present him first. Mr. C. H Purcell, Director of the Department of Public Works in the State of California.

MR. PURCELL. Mr. Chairman and members of the committee, this is a statement to the Committee on Revenue and Taxation of the Assembly. (Reading)

"The problem of adequately financing highways, roads and streets in California which is now before the Legislature and which has been the subject of much study and discussion during the past two or three

years, insofar as it pertains to state highways is largely concerned with three important subjects:

"(a) The deficiencies on the State Highway System, in other words, the job that has to be done.

"(b) The status of present state highway funds, particularly the status of these funds as of next June 30th, the end of this fiscal year; and specifically, what funds, if any, will be unobligated at the end of this fiscal year which would be available for new highway construction.

"(c) Future income for state highway purposes that may be expected from present sources at present rates. The discussion on this subject has centered largely around the period of the next 10 years.

"The Division of Highways prepared a Critical Deficiency Report in 1943. This report was a tabulation of projects showing the critical deficiencies on the State Highway System that had accumulated up to the beginning of the war, based on 1941 traffic and prewar construction costs. The report was submitted to the McCormack Fact-finding Committee and subsequently to the Collier Committee This report showed an estimated cost of correcting the tabulated critical deficiencies of some $700,000,000.

"In 1946 the Division of Highways prepared a second deficiency report. (You will notice not a critical report, but a report on deficiencies.) This report was a tabulation of the deficiencies on the State Highway System on the basis of 1946 traffic, taking into consideration the normally expected increase in traffic during the next 10 years. This report, amounting to approximately one and a half billion, was based on 1946 construction costs. It was prepared at the request of Senator Collier and was submitted to the Transportation Committee of the Senate. This report did not include any of the construction projects that were a part of the construction program to be undertaken prior to June 30th of this year.

"Senate Bill No. 5 of the present special session proposes an expressway system. This proposed system includes certain metropolitan freeways that are not now a part of the State Highway System, and it also includes certain state highways that were not included in the Deficiency Report. The estimated cost of these two additions to the Deficiency Report brings the total estimated cost up to one and seven-tenths billion dollars.

"The outstanding critical deficiency on the State Highway System as shown by both of the Deficiency Reports is inadequate lane capacity. The first report, on the basis of 1941 traffic, showed approximately 1,650 miles, and the second report, on the basis of 1946 to 1956 traffic, showed approximately 2,700 miles of highways that should be expanded to multiple lanes. The cost of this type of improvement as shown in each report represents more than 75 percent of the entire estimated cost.

"The majority of traffic accidents on the State Highway System occur on these crowded sections. It is here, particularly in the metropolitan areas, that traffic congestion occurs; and it is here also that high operating costs are piled up. The traffic situation is indeed critical, and with increased traffic it is becoming progressively worse. The demand for improvement has for several years exceeded the funds that were available, and that situation also is becoming progressively worse.

"All the money available for state highway purposes, including funds accumulated during the war and income accruing during the present biennium, will be obligated to contracts by the end of the present

fiscal year, June 30, 1947. There will be uncompleted contracts under way, and there will be cash in the bank to pay for that work as it is completed, but there will be no money available for construction that is not already obligated.

"Let me make this point clear. The budget of the Division of Highways for the present biennium, including estimates of income and expenditures, has been very carefully reviewed by the California Highway Commission. Adjustments have been made in the budget so as to provide for the maximum construction program that the funds will permit, making proper allocations for administration, maintenance, and other items that must be paid for. All available funds have been allocated to construction projects, and these projects are being advertised for bids on a planned schedule, to the end that the entire program will be under way before next June 30th (of this year, that is). At this time there is every reason to believe that the program will be carried out as planned. By the end of the Fiscal Year, therefore, all money available for state highways will be obligated to contract legally entered into, and that money cannot be used for any other purpose. (Nor can that money be expended twice.)

"The Division of Highways has prepared and submitted to the Legislature a budget for the next fiscal year. A copy of this budget is being furnished your committee today. It shows an estimated income of $69,767,000. It shows also the allocation to administration, maintenance, highway planning, maintenance and operation of the San Francisco-Oakland Bay Bridge, and other items which must be taken care of with highway funds. After all these items are taken care of, there is available for construction projects approximately $27,000,000, and $6,000,000 for the purchase of rights of way In other words, the department will be able to expend for construction work during the next fiscal year only $27,000,000 unless additional funds are provided

"The Division of Highways has additional plans prepared for approximately $40,000,000 worth of work that could be let to contract during the next fiscal year if sufficient funds were available to cover that work. It also has plans in preparation amounting to approximately $100,000,000 that can be quickly completed and made ready to let to contract. This preparation of plans is in accord with the express policy of the Legislature to provide for advance planning and continuity of fiscal policy in construction and improvement of the State Highway System and in the administration of the expenditures from the state highway funds. There is no question whatever of the ability of the California contractors to carry on this large volume of construction work.

"An estimate of income for state highway purposes that may be expected from present sources at present rates during the next 10 years has been prepared. A copy of this estimate is being furnished your committee. These data show in chart form the net motor fuel consumption for the years 1924 to 1946, inclusive, and project this curve to 1955. They show also a tabulation of the income that may be expected from the several sources of revenue, including gasoline tax, motor vehicle fees, use fuel tax, caravan fees, and federal aid. The tabulation shows the estimated expenditures for administration, maintenance, buildings, plants and equipment, the one-half cent that goes to cities, the maintenance and operation of the San Francisco-Oakland Bay Bridge, and

engineering and planning. These data show that there will be available for construction during the next 10 years approximately $280,000,000, or $28,000,000 per year.

"I have recommended to the Senate Committee on Transportation, and I repeat the recommendation to you, that there be provided sufficient money for state highway purposes to provide for a construction program of not less than $75,000,000 per year on the presently existing State Highway System. This means an increase in funds equivalent to two cents gas tax. From my own personal knowledge of the situation and from the data that have been prepared from the Division of Highways showing the deficiencies and the estimated revenue, it is my considered opinion that the State of California should not undertake a program of less than this amount Such a construction program, it is evident, will not provide for the correction of all of the deficiencies existing on the system now within a period of 10 years. It will, however, go a long way toward providing adequate highway facilities for motor transport, and it will not create an oppressive tax burden on motor vehicle users."

I am sure you are familiar with the statement that $78.80 represents the average charge to the truck over 3,000 pounds. You are also familiar with the fact that $18 per car represented the total charge against the cost of a passenger car.

I know of no highway program upon which there has been as much study, as thorough consideration of the factual information in its preparation by the Division of Highways, and others along their own lines of work than has been done in this particular case. I think that so far as factual information is concerned here that we have adequate information for the consideration of our legislative bodies I'm sure that any additional information that this division can give or anyone connected with the department, will make every effort to furnish it promptly as it is requested.

We sincerely hope that this house will be able to give the program the consideration it deserves during this period allotted for the purpose.

CHAIRMAN HOLLIBAUGH: Are there any members of the committee who wish to ask Mr. Purcell any questions?

ASSEMBLYMAN THOMAS: Mr. Purcell, how do you reconcile your figures as to the amount of money now in the Highway Fund with that of the Legislative Auditor? His figures show $56,202,000 in that fund at the present time which could be expended for the 1947-48 fiscal year. You stated there is $27,000,000 with $6,000,000 in addition for rights of way.

MR. PURCELL: That is right. That is the total amount of funds available for new construction.

ASSEMBLYMAN THOMAS: In other words, the Legislative Auditor's figures are incorrect?

MR. PURCELL: The detail of the audit, I think, could be explained by our own budget officer when it comes up for discussion. If there is anything further on that, I'll be glad to have him discuss that and furnish you with the information on it.

ASSEMBLYMAN THOMAS: Mr. Chairman, has Mr Vandegrift been subpenaed to appear?

CHAIRMAN HOLLIBAUGH: Yes, but not for today. Mr. Purcell was referring to their budget man who is present.

ASSEMBLYMAN THOMAS: But, Mr. Vandegrift will appear before the committee?

CHAIRMAN HOLLIBAUGH: Yes.

ASSEMBLYMAN CLAYTON A DILLS: Mr. Chairman, I have several questions I would like to ask. Some of them Mr. Purcell has already answered. We can go back to one here where I think he stated that all available funds, construction funds, would be contracted by June 30th, is that right?

MR. PURCELL: That is right.

ASSEMBLYMAN CLAYTON A. DILLS: Do you agree with this—getting back to the report, do you agree that the highest postwar construction cost will be during the fiscal year ending June 30th? Would you agree with that report?

MR. PURCELL: I do not know that it will be the highest, no, not in California. I don't think that anyone knows.

ASSEMBLYMAN CLAYTON A. DILLS: You would not agree with this report that construction costs will be the highest at that fiscal point?

MR. PURCELL: I do not agree they will be the highest or the lowest. I think we are receiving the most competition on the bidding at this time. We are now receiving the most excellent bidding on our work that you could expect at any time. In fact, the number of contractors bidding and the competition is good. Now, unless there is a considerable change in wages and all that goes into the cost of construction, I see no reason to expect radical differences in cost on the average items in construction work. There are questions of steel and everything else involved in that and I do not think I can predict what it will be, and the longer that we put off carrying on our work where we have the traffic we have in this State, the more difficult and the more expense we accumulate to take care of that traffic.

ASSEMBLYMAN CLAYTON A. DILLS: Well, in this report, I think they came to the conclusion that the construction costs would decline as of June 30th, that they would start to decline, would you agree with that?

MR. PURCELL: I think a lot has taken place since that report was written. I wouldn't want to predict how far it would go because our work is to serve the traffic, and we cannot delay by a year, because the traffic volume in California has increased so tremendously, and we must take care of the situation

ASSEMBLYMAN CLAYTON A. DILLS: Then, you wouldn't agree with this report? Do you feel that it is necessary to legislate new laws to build freeways and limited access highways for the first time?

MR. PURCELL: I thing it is necessary in California to build controlled access highways. I think it is very important.

ASSEMBLYMAN CLAYTON A. DILLS: Do you feel it is necessary to legislate new laws?

MR. PURCELL: I might add we have laws sufficient to lay out on a given project a freeway. However, there is no definite system of freeways established in the State of California at the present time.

ASSEMBLYMAN CLAYTON A. DILLS: Well, do you feel that in this new bill that anything else is concerned outside of just raising money for the highway program?

MR. PURCELL: I think that the raising of money is the important part of the program, but there are other considerations that are necessary.

ASSEMBLYMAN CLAYTON A. DILLS: Do you feel that in the bill the type of highway or where they should be built, and whether two or four lane, should be in the bill?

MR. PURCELL: I don't know that the bill determined whether it would be a two or four lane.

ASSEMBLYMAN CLAYTON A. DILLS: I say, do you feel that it should be determined in this bill?

MR. PURCELL: That is to be determined according to the volume of traffic.

ASSEMBLYMAN CLAYTON A. DILLS: Well, in the bill, I think it is mostly just for the raising of money. Do you feel that should be included in the bill, the type of highways and where they should be built?

MR. PURCELL: I don't think the bill says where they are going to be built. As I understand it, that is not stated, but it does set up a system.

ASSEMBLYMAN CLAYTON A. DILLS: Do you feel that that should be in the bill?

MR. PURCELL: I think it is a good idea to have systems set up. We can work without the system, but it is preferable to have the system because the system should be recognized by the State where we are spending state funds.

ASSEMBLYMAN CLAYTON A. DILLS: I believe that is about all I have.

CHAIRMAN HOLLIBAUGH: Mr. Robertson is next.

ASSEMBLYMAN ROBERTSON: I was listening to the radio the other night to the head of the Department of Economics of the University of Chicago and the head of the Department of Economics of the University of California, and they discussed this highway proposition, and may I say they agreed unanimously with my thoughts on the matter, that it isn't a good economic proposition to build these highways at this time. Isn't it a fact, Mr. Purcell, that your cost of construction as to labor and material during the last six months to a year has been the highest in the history of the State of California?

MR. PURCELL: I think since the end of the war it has been the highest.

ASSEMBLYMAN ROBERTSON: And isn't it a fact that about half of your cost of constructing this new road system will go into the purchase of land for freeways?

MR. PURCELL: I wouldn't say that.

ASSEMBLYMAN ROBERTSON: What percentage would you say?

MR. PURCELL: I wouldn't want to answer that offhand.

ASSEMBLYMAN ROBERTSON: A large percentage?

MR. PURCELL: It would vary over the State.

ASSEMBLYMAN ROBERTSON: Isn't it a fact, Mr. Purcell, that it is about half?

MR. PURCELL: It is not near a half.

ASSEMBLYMAN ROBERTSON: And isn't it also a fact, Mr. Purcell, that the cost of acquiring this property is now not only higher than at any other point in the history of the State of California, but it is about four times what it would cost about four or five years ago?

MR. PURCELL: Not all over.

ASSEMBLYMAN ROBERTSON: Well, what do you mean by "all over"?

MR. PURCELL: All over the State There are variations in that.

ASSEMBLYMAN ROBERTSON: It's higher than it's ever been before in the history of the State?

MR. PURCELL: These economists were much wrong about the depression and other things. They might be considerably wrong about this depression that is going to build things back as cheap as they used to be.

ASSEMBLYMAN ROBERTSON: I was much interested in the two reports submitted in 1945. The program was submitted to the Collier Committee. I was comparing this to this program submitted in January of this year. There were two or three things I was interested in and was going to ask you about. Now, referring just for an illustration to Route 11-B, seven and six-tenths miles, Sacramento to Mills, four lane divided highway. Now, in your report as submitted October 29, 1945, you suggest that the right-of-way costs on that would be $30,000. Now, on your report as submitted January, 1947, you suggest it to be $215,000 for that, or seven and a third times as much. What is the reason for that?

MR. PURCELL: The first estimates made on that, the estimates were on the basis of 1940 and 1941 costs and the traffic as of that time. Now, in 1946, it was made on a new basis of traffic and costs. That is one explanation of it. The man that prepared these and worked on it with the engineers will be glad to explain that, and he is available, and I would sooner have him answer that.

ASSEMBLYMAN ROBERTSON: I noticed in the record at the time that it was submitted it said the report was up to date as of that date.

MR. PURCELL: I think in the report, the man that worked on it and prepared it, will be able to answer what is contained in that report, the data and information on it in detail. I'm not equipped to do that.

ASSEMBLYMAN ROBERTSON: Now, referring to construction costs, you estimated October 29, 1945, $370,000. Now, in 1947 when the costs have not gone any higher that I know of, you estimated $930,000.

MR. PURCELL: You said construction costs have gone up. If you look into the construction costs * * *

ASSEMBLYMAN ROBERTSON: Construction costs have gone up.

MR. PURCELL: And traffc has increased.

ASSEMBLYMAN ROBERTSON: Your construction cost has gone up since October 29, 1945 * * *

MR. PURCELL: Wait just a minute. I didn't say that was the entire representation. I said that contributed to it. There are many other factors. I would prefer to have the man that worked on this report and the others to give you the details, rather than myself.

ASSEMBLYMAN ROBERTSON: But the real estate peak was in October, 1945 They are going slightly down since.

MR. PURCELL: I haven't seen any difference in houses.

ASSEMBLYMAN ROBERTSON: Now, I might call your attention to another one here that might be interesting to this committee, the construction of the *McConnell* subway section as of 1945 you estimated the cost of land acquisitions at $63,000. In January, 1947, you estimated $470,000.

MR. PURCELL: Well, are you challenging the accuracy of them?

ASSEMBLYMAN ROBERTSON: They are reports submitted by your department.

MR. PURCELL: I'll be very glad to have the man who prepared them give the answers on them if you are going to take individual projects.

ASSEMBLYMAN ROBERTSON: In other words, you have no answer?

MR. PURCELL: To individual projects, no. The detail of the projects will be furnished to this committee by the men that work on that in the Division of Highways.

ASSEMBLYMAN ROBERTSON: Will you do this? I think it will be very simple. Will you tell us why between October 29, 1945, and January, 1947, your total project went from $635,000,000 to $1,400,000,000?

MR. PURCELL: Six hundred ninety-five million dollars. All right. I'll answer that. The first was a preparation of critical deficiencies on the system as of the dates we mentioned, submitted in 1943, and was based on cost figures of 1940-41. The later one was based on current figures and field study and increased traffic and the conditions at that time, and where the general deficiencies were with the State. The other was critical deficiencies at that time.

ASSEMBLYMAN ROBERTSON: The reports cover identical projects.

MR. PURCELL: There are additional problems. That is the critical deficiencies and the other is deficiencies, isn't that correct, Mr. McCoy?

MR. MCCOY: The first report that the Assemblyman is referring to and stated it was a program for 20 years, is absolutely incorrect. That is not a program at all. That was an estimate of the critical deficiencies existing as of 1940-41 for the traffic as of that date and estimated at prices as of that date. The second report the Assemblyman is referring to was made last year on the basis of traffic as of 1956. That is a 10-year program, and it is based on prices as of 1946. The type of design is entirely different and the amount of right of way and widths is entirely different than the second program that the Assemblyman is comparing to the first report. There is no basis of comparison between the two at all.

ASSEMBLYMAN ROBERTSON: As to these particular projects, they are given out and described in both reports the same way, are they not?

MR. MCCOY: One is based on the traffic as of 1941, prices of 1941, and designed to accommodate the traffic in 1941. The other one is based on the design to accommodate the traffic as of 1956, based on the prices as of 1946.

ASSEMBLYMAN ROBERTSON: May I ask one more question? Then your Route 11-B, seven and six-tenths miles, Sacramento to Mills, four lane divided highway, described in both of these reports the same identical way, are not the same?

MR. MCCOY: I do not know each project—I cannot answer on each individual project. I'm stating to you the principle on which this thing was made up.

ASSEMBLYMAN ROBERTSON: I'm referring to an item here.

MR. MCCOY: You have it before you. I do not, and I did not make each individual estimate, and I cannot tell you, but I told you the principle on which the first and second reports were made. They are facts.

MR. PURCELL: If I might interrupt, I might say that they will furnish you with the project—we will furnish you with the information you wish.

ASSEMBLYMAN ROBERTSON: I have them right here, the two reports, copied right down there.

MR. PURCELL: If you want to take up the individual projects, we would be very glad to furnish the information on individual projects that you are requesting here and send it over here, but to answer individual projects when he has the sheet there and the information—we are not

able to do that that way, and I don't think it would be as accurate so we will be glad to answer those questions in that manner.

CHAIRMAN HOLLIBAUGH: Is there anything further, Mr. Robertson?

ASSEMBLYMAN ROBERTSON: No. I'm not entirely satisfied. I have here quotations from the report that I have worked out and Mr. Hatfield asked Mr. Grumm, referring to this report of October 1945, "That includes that item of $270,000,000 of freeways?" Mr. Grumm replied, "It does," and he goes on to say, "If we want to include the other state highways that are not reached by this critical deficiency list, and as suggested in the letter from your chairman, at least to make two lane roads 20 feet wide out of these remaining state highways, and put them in some kind of more usable condition, our estimate is approximately—and we are working on this also—I haven't the final figure, but the approximation is about $240,000,000 more."

I don't want to argue about it. It is entirely against my ideas of the thing. I think it should be corrected, and possibly there is someone that can explain why the highway costs since the peak in 1945 have doubled and trebled and the land rights of way have gone up seven times in a period of a little less than a year I really can't understand it.

MR. MCCOY: I would like to correct the same statement the Assemblyman has stated incorrectly several times. The prices in that report he is referring to of October 1945, are 1941 prices. The design is based on 1941 traffic. The prices in the report submitted last winter are 1946 prices. The design is based on 1956 traffic.

ASSEMBLYMAN ROBERTSON: The quotation from Mr. Grumm doesn't say that.

MR. MCCOY: *Which report are you reading from?*

ASSEMBLYMAN ROBERTSON: From the transcript which I have of the hearing when it was presented to the committee. Mr. Grumm said, "The estimated cost of these critical deficiencies, and in it are included the projects in the postwar program, we reported heretofore to be approximately $630,000,000. Our present estimate on which we are working and for which we will furnish you the details make that figure about $680,000,000 or $690,000,000. Now, that doesn't take in the entire State Highway System or contemplate the improvements of all the highways in the state system." It goes on and says, "That simply is the estimate of the cost of correcting and improving or reconstructing those deficient portions of the state system that should be done now."

MR. MCCOY: As of 1941 traffic.

ASSEMBLYMAN ROBERTSON: His testimony was on September 24, 1945.

MR. MCCOY: I know the facts, and I'm stating them to you.

MR. PURCELL: Mr. Vickrey is here, who is the head of the department that handled that phase of the work and he is prepared to answer any questions he can. Individual projects, however, he will have to seek the original estimates to answer just like any other engineer. The others are here.

CHAIRMAN HOLLIBAUGH: We aren't gaining anything by pursuing this now, but these other gentlemen are available and they are going to testify. Mr. Dills, do you want to ask another question?

ASSEMBLYMAN CLAYTON A. DILLS: I have a question on the same order. Isn't it true that the estimated cost of right of ways through some counties are higher than the estimated value of the entire county?

MR. PURCELL: I do not know whether it is or not.

ASSEMBLYMAN CLAYTON A. DILLS: I believe you will find that true in several cases.

MR. PURCELL: That could be possible, but I don't know the county.

CHAIRMAN HOLLIBAUGH: Mr. Knight is next. Mr. Purcell wishes to get away as soon as he can.

ASSEMBLYMAN KNIGHT: Mr. Purcell, getting away for a few moments from any specific items in this program, I would like to refer back to the all-over picture that you have given us here. I believe that you said that the minimum amount necessary for maintenance of our State Highway System to give us sufficient units of transportation, would be $75,000,000 a year, or over a period of 10 years, at least $750,000,000. Now, do I understand that would be the minimum base on which we could figure that we have to consider for raising of taxes or funds to maintain a minimum service to the State of California?

MR. PURCELL: I stated as maintenance and construction.

ASSEMBLYMAN KNIGHT: Maintenance and construction.

MR. PURCELL: And other functions of the department, but this fund that I referred to has to do with construction. That is the additional amount plus what we have available for construction annually now. The minimum would be, in my opinion, the $75,000,000. With what we have now, and the additional amounts, that is for the State Highway System only, that I'm discussing here today. I'm not discussing anything else but the State Highway System

ASSEMBLYMAN KNIGHT: That doesn't include the county or city?

MR. PURCELL: No, just the State.

ASSEMBLYMAN KNIGHT: I believe that is our problem at the present time to take care of the state projects.

MR. PURCELL: That is what we have authority over.

ASSEMBLYMAN KNIGHT: That is the same statement that we have got here in the summary of the Governor's recommendation for the Legislature to make on January 28th of 1947, which says in effect that the absolute minimum that could be financed and undertaken would require $750,000,000 over a 10-year period, or approximately $75,000,000 a year for actual state highway construction.

MR. PURCELL: I made that statement before the Senate Transportation Committee.

ASSEMBLYMAN KNIGHT: That would be the basis of what we have got to consider in this committee, and this bill, as the minimum requirement, provided we accept the recommendation of your department?

MR. PURCELL: That is my opinion.

ASSEMBLYMAN KNIGHT: Then it goes on to say what additional revenues must be provided to construct this $750,000 000, 10-year minimum program. Then two paragraphs down at the bottom of page two we note that there is at the present time according to your estimate $28,000,000 a year for actual new highway construction.

MR. PURCELL: That is on a 10-year, I think that is a 10-year basis.

ASSEMBLYMAN KNIGHT: In other words, there would be only for a total period of 10 years, $280,000,000 for new highway construction against what you consider to be a maximum or minimum program of $750,000,000.

MR. PURCELL: Yes, over the 10-year period, I think it figures an average of $27,000,000 or $28,000,000 gas tax.

ASSEMBLYMAN KNIGHT: I believe then that also on the top of the next page it says that this means that new revenue of $470,000,000 during the next 10 years, or $47,000,000 each year, must be provided for new highway construction. Now, that is our problem at the present time is to provide that, provided we carry out this minimum program, isn't that correct?

MR. PURCELL: Yes, that is what my recommendation is.

ASSEMBLYMAN KNIGHT: Then I notice that on the date of January 27th, there was a memorandum from Mr. Zettel.

MR. PURCELL: He is not employed—I think he was on the staff of the Collier Committee.

ASSEMBLYMAN KNIGHT: You are familiar with his work—have you seen a report of his work at all?

MR. PURCELL: Yes.

ASSEMBLYMAN KNIGHT: This is in connection with his estimate of what revenue would be received from the various items that are suggested for raising additional taxes. That is the four-cent gasoline tax, the six-cent diesel tax, and truck and bus taxes, and the six-dollar registration fee and the driver's license and miscellaneous fees, I believe all of which are included in the bill we have before us here, as I understand it. And have you seen his estimate on that?

MR. PURCELL: No, well, I have seen his report, but this particular item, I think Mr. Vickrey is familiar with it.

ASSEMBLYMAN KNIGHT: I notice in that report that he makes he states that in his opinion these taxes would raise $57,000,000 a year, or $570,000,000 over a 10-year period against the necessary fund of $4,700,000, I mean $470,000,000, or it would raise in excess of $100,000,000 over what your minimum would be, and it just occurred to me to ask you if you have any suggestion or recommendation, provided Mr. Zettel's argumentations or estimates are correct, as to what item you would eliminate or reduce in this list of various sources of revenue or if the revenue exceeds the minimum demand and we only accede to the minimum demand, would you suggest we made a reduction of say 10 percent in the whole list, if necessary, or have you * * *

MR. PURCELL: I wouldn't want a particular item—I believe everybody should contribute to this in a broad way.

ASSEMBLYMAN KNIGHT: In other words, you feel further study should be made in regard to how this program should be changed in the way of items for receiving revenues, provided we don't need to assess the community to the extent that it is indicated in the present bill to give us the minimum requirements that have been set forth?

MR. PURCELL: I think that is a matter of determination by the Legislature.

ASSEMBLYMAN KNIGHT: In other words, you have no recommendation in regard to the source? That is our responsibility?

MR. PURCELL: I think so, except it should be allotted equitably. I think it should be a user tax, both the trucks and others should be taxed for it.

CHAIRMAN HOLLIBAUGH: Mr. Anderson.

ASSEMBLYMAN ANDERSON: I jotted down two or three little notes here. First, I would like to know what the comparative construction costs would be between now and the 1940-41 period.

MR PURCELL: I think they are averaging close to 60 percent. I would like to have the State Highway Engineer answer that.

MR. MCCOY: Road projects, 53 percent, structures, 60.

ASSEMBLYMAN ANDERSON. We can figure between 55 and 60 percent higher now than in 1940.

MR. PURCELL: Yes.

ASSEMBLYMAN ANDERSON: In your remarks you inferred construction costs would not go down. That is the inference I received there, and I'm a little of the other opinion. I would like to have you build that out. As I see it, construction costs will go down in the next two to four years.

MR. PURCELL: I didn't say they wouldn't go down. I wasn't willing to predict they were going down. Furthermore, I don't think we can take care of and serve the traffic of California by building only at the time we have a depression, or a period of stagnation.

ASSEMBLYMAN ANDERSON: But, you do think it will probably recede back to the 1941 level? You don't think it will reach that?

MR. PURCELL: I wouldn't want to predict that with our wage scales and what we are trying to do in this Country in maintaining earning power.

ASSEMBLYMAN ANDERSON: You are in a position where you should know better than we should what these construction costs would be. If you don't think it will go down to the 1941 level, how much higher than the 1941 level do you think it will go?

MR. PURCELL: I don't think I can answer that definitely or anyone else at the present time or in the future. I think construction costs will act like it has before. Unless we have a depression, in an organized government like we have and the conditions we are in for earnings and income, I don't look for a great recession in the price of construction.

ASSEMBLYMAN ANDERSON: 1941 wasn't a depression year. The conditions were pretty good at that time. I think we could use that as a rather normal period. It was a prewar year and it was after the depression. If we are going down to any period it would be the 1940-41 level.

MR. PURCELL: That may be, but I certainly cannot predict it.

ASSEMBLYMAN ANDERSON: We are being asked to predict 10 years in the future by evidence given by you fellows.

MR. PURCELL: We in making that have set up a basis to make our estimate on assuming that certain definite period for the estimate. The men that prepared that assumed certain definite times to make their estimate.

ASSEMBLYMAN ANDERSON: You are predicting traffic trends and a lot of other things. It seems to me you should have some predictions as to comparative costs.

MR. PURCELL: That is difficult to predict what it's going to be.

ASSEMBLYMAN ANDERSON: There was another item, I believe. The present construction, you say the bids will be let out by June 30th of this year. When will those successful bidders be able to complete the work?

MR. PURCELL: At the present time we are having no trouble getting the materials for contractors. They are carrying their work and completing it, and we look for that to continue, and to predict just when you could complete each particular job to average it up is very difficult to do.

ASSEMBLYMAN ANDERSON: Would you say then that the amount of contracts we will have let out, will they have been completed within a year from now?

MR. PURCELL: Some of them, and some of them won't, according to the size of them. One job I know of for $3,500,000 won't be completed in one year.

ASSEMBLYMAN ANDERSON: Why? Will it be the shortage of material and labor, or is it the size of the job?

MR. PURCELL: The size of the job and the way it's got to be undertaken.

ASSEMBLYMAN ANDERSON: This last couple of weeks, one of our committees have been going around to institutions and we made large appropriations two years for the development of these institutions and they told us they couldn't get bidders or anybody to go in on the building of these institutions due to shortage of labor, materials, and things like that. Why would that picture set with them that way and not with the State Highway Department, and don't you also think if we went into a real extensive road building program, it would aggravate the condition more as far as institutions are concerned?

MR. PURCELL: The class of people engaged in the major part of a highway program are not the same class of people that make the shortage in the building industry, affecting buildings of that nature, nor do we use the class of material in the quantity they do

ASSEMBLYMAN ANDERSON: The same people that are making the steel and the concrete and the things like that, that goes into the institution would be making the same things that go into the roads, with the exception of the actual contractor himself.

MR PURCELL: They are having difficulties with other things than what you mentioned. The contractors are having trouble on the scarcity of the items involved in electrical work and all that that go into a building. The people that engage in highway work are a different class of people in the main, and we are able to carry on our highway work for that reason.

ASSEMBLYMAN ANDERSON: Now then this may be a little out of line. This noon we had a meeting with the public utilities and there were certain questions brought up in regard to the use by the public utilities of rights of ways across and along and over the freeways and the highways. Now, is it the policy of the department not to allow the use of the freeways for rights of ways for these different public utilities and if so, why?

MR. PURCELL: The utility question where we build a freeway we recognize the legal rights of the utility involved. Now, if you refer to the controls over the method of crossing and where, is that what your question applied to?

ASSEMBLYMAN ANDERSON: During the interim, I was called upon by representatives of the different public and private utilities who tell me they are going to have to move waterlines and water ways and they won't be able to cross and this and that. They gave us the idea that was going to be the policy in this bill, that they wouldn't be able to use them to go along the rights of ways at all for these different public utilities, and that they would probably have to conform to certain tunnels that might be set at improper places for them to cross where they had to cross. I would like to know the policy of the department on that.

MR. PURCELL: I would like to have Mr. Montgomery answer that question, who has dealt with the question here and is very familiar with it. Mr. Montgomery of the department.

MR. MONTGOMERY: Mr. Chairman, members of the committee, the policy of the department is that where there is a freeway crosses over a utility that has its own private right of way, the department has paid for the relocation of the utility. That is the same as we have always done with the state highway construction in the past. Where they occupy the highway under a franchise or a permit, they are required to make room for the highway at their own expense. That has been the law in California for 25 years or longer. Now, as to the engineering, there has not been much trouble with the utilities on the project. The engineers of the utilities and the engineers from the State and for the cities have gotten together and they have worked these problems out from the engineering standpoint. The reason that the utilities are bothering themselves about this situation and bothering you is this. They are afraid that an accelerated highway program will mean they will have to pay more money.

ASSEMBLYMAN THOMAS: Don't you think that it is nothing more than proper to reimburse the cost of replacement of public or private utilities, since this is an over-all new highway construction plan?

MR. MONTGOMERY: I really don't, Mr. Thomas. Many of these utilities that are complaining to you are in those highways under contract. They went in there agreeing that if the public interest ever required their relocation, they would relocate at their own expense. They want to continue to use the highway rights of way as their rights of way which were purchased with the highway moneys. The highway taxpayer, or the motorist pays for the purchase of those rights of way. They use them in the case of the state highways without charge, and then when it comes time for the highway taxpayer to pay for an improvement, they want him to pay for their move, too. Now, if the policy were to be that they should be paid for moving, then it seems to me the policy should also be that they shouldn't use the highway rights of way in the future because every time they come into it, they become a potential liability for the motorist.

ASSEMBLYMAN THOMAS: As I understand it, there are 18 or 17 new expressways under consideration in this new program. Do you know whether or not any public or private utility will be involved in all of these new expressways? Does your office have any information as to whether or not some private or public utility will be placed out of business in the construction of these 18 new expressways being considered?

MR. MONTGOMERY: It seems to me that it would be inconceivable that you could construct a freeway through the urban areas of the State without affecting a good many public utilities. In other words, there will

be telephone lines, there will be water lines to be moved and there will be electric power lines which will have to be moved at some places. That seems inevitable because you have to move them in order to construct highways in urban areas especially. How many there will be or who they will be, we couldn't tell you. In some places we will pay, and in some places under existing law, they will pay.

CHAIRMAN HOLLIBAUGH: Let's get back to Mr. Purcell. He is anxious to leave for another meeting.

ASSEMBLYMAN THOMAS: I have a question I would like to ask Mr. Purcell. The question I want to ask is that in your report which deal with the critical deficiencies in the highways, would a one cent increase in the gasoline tax take care of that, of the problem of improving the critical deficiencies in the present highway system?

MR. PURCELL: No. One cent increase, practically all of any one cent increase would be consumed in the increased cost since 1941 and would leave practically none for any new advanced work.

ASSEMBLYMAN THOMAS: I'm not speaking about the new construction work, just the critical condition in the present highways.

MR. PURCELL: The critical deficiencies are new construction, not all, but a great part, practically every bit.

ASSEMBLYMAN THOMAS: In other words, one cent increase in gas tax is just a useless attempt to provide revenues to the present problem?

MR. PURCELL: You would not be able to advance the construction over what we were struggling with back in 1940 and 1941 any material amount.

ASSEMBLYMAN THOMAS: Another question is on all of the new construction, have you any idea what the contract would call for and the time of construction, following up Mr. Anderson's question?

MR. PURCELL: Each contract determines the number of working days at the time of the year it is let, and how long it takes and that is set up when the man bids on the work. Those are in the specifications, the number of working days, and each contract according to its size, and according to the difficulties and so forth has a different time.

ASSEMBLYMAN THOMAS: In other words, the contracts made now for the construction of a project that may take us into 1950?

MR. PURCELL: We don't let contracts that go that long.

ASSEMBLYMAN THOMAS: What assurance has the Legislature that you don't?

MR. PURCELL: The past history of every project we let shows we don't let contracts four and a half years long. The only contract of that length would be like a major bridge like the Bay Bridge. That went three years and a half.

ASSEMBLYMAN THOMAS: The department recommends that this program go for a 10-year period, is that correct?

MR. PURCELL: We have made our reports and estimates on a 10-year program, the critical deficiencies and the deficiency reports, and we made estimates, statements, rather, to the committee showing the income and so forth for a 10-year program.

ASSEMBLYMAN THOMAS: The question I'm faced with is the people in the district I represent want to know why should we contract the building of highways that may take us 8 to 10 years from now at the present level of costs, operating and maintenance of the highways. That

is the problem we are confronted with. Why should we contract for the construction of new highways which take 10 years to build, not knowing the cost, which may decline.

MR. PURCELL: There will always be differences in prices. The history of our Country shows there have always been differences in prices, but it is necessary when you are planning to make your estimates to the best of your knowledge of what can be accomplished. What is your cost and what is your income? That is the basis of justifying any planned program of work.

ASSEMBLYMAN THOMAS. Mr. Purcell, the question of public utilities seems to be a very important issue before the committee at this time because as Mr. Anderson pointed out, they are very vitally interested in this. I'm speaking now of the small utilities, the water district, the canal water district, that have to go through the tremendous expense of moving their canals to supply the water. Isn't there any suggestion from your department where they can be reimbursed for the cost?

MR. PURCELL: We have used the highway fund where any utility has a legal right to it. We have used the highway fund to take care of that situation and pay for it I do not know of public utilities in general in the State that haven't been dealt with pretty fairly. I have met with groups of them, talked with cities in city work, and I don't know of any widespread dissatisfaction. Now, they may want to protect themselves by some more additions I do not know, but I don't know of any general difficulties or dissatisfaction with their treatment. I'm referring to the publicly owned utilities. Now, the private utilities, I don't know. We have dealt with many of them and have dealt with many of them without complaint and come to an agreement, but if they have other ideas, they may desire a law to add more costs to the thing, I don't know.

ASSEMBLYMAN ANDERSON: Awhile ago I sat down here. I want to ask a couple more questions on these utilities Do you want this gentleman here to answer you and speak here on your behalf—will they be speaking for the department as representatives of the department?

MR. PURCELL: On the subject that they deal with.

ASSEMBLYMAN ANDERSON: In other words, when they get up here they are speaking for you?

MR. PURCELL: They are speaking for the Division of Highways, which is a division in the Department of Public Works, yes.

CHAIRMAN HOLLIBAUGH: Can't we postpone those questions?

ASSEMBLYMAN ANDERSON: Yes, we can. I wanted to ask another thing. There are some questions here such as the question awhile ago as to the percentage of the total cost that was for rights of ways. Now, there was some question, I think Mr. Robertson asked that, and you couldn't give them that figure.

MR. PURCELL: I would ask that the engineer of the department to answer that. We will furnish whatever is in our power to do from our records to you that you may ask for.

ASSEMBLYMAN ANDERSON: Supposing—what would be wrong with making an outright appropriation for the next year to take care of us for the next year or two until we get into the period that we actually know what the costs are going to be to labor and materials are more plentiful. What would be wrong in postponing this extensive program for a year or two by making large appropriations out of the General Fund

to take care of the immediate necessities? What would be wrong with that program?

MR. PURCELL: I'm here today discussing a state highway program. The general funds are needed for other purposes. The State Highway Fund requires planning ahead for the future so we can get the plans ahead and work on them, but appropriations from the General Fund by any amount you could hope for wouldn't take care of the critical situation in highways, and we would continue to be behind because we were going backwards before the war and we are still going backwards It would not make a solution to the situation in a practical way.

ASSEMBLYMAN ANDERSON: And it would make an over-all solution. You couldn't give us predictions on some of these things? We don't know what's going to happen.

MR. PURCELL: I don't think anybody can give you the kind of prediction that you want.

ASSEMBLYMAN ANDERSON: So, why wouldn't it be better to make an appropriation to handle two or three years?

MR. PURCELL: I don't think anybody can do it better three years from now. You couldn't do it any better than we have made and submitted to the committees now.

ASSEMBLYMAN ANDERSON: The shortages of materials should have been caught up with at least.

MR. PURCELL: We have let $80,000,000 worth of work, and the shortage of material, with the single exception of steel, has not interfered with the competitive bids and the letting of contracts on our highways.

ASSEMBLYMAN ANDERSON: Then, you don't think the stalling of this particular program—I don't mean the plan. You can do all the planning as far as freeways and express highways and things of that are concerned. But the actual construction, you don't think should be delayed two years?

MR. PURCELL: I don't think we can afford to delay this program if we intend to carry it out, because all that happens is that a greater accumulation of more projects occurs that become deficient if you let those go. Our expense increases, and you pay for them whether you do anything about it or not.

CHAIRMAN HOLLIBAUGH: Mr. Evans.

ASSEMBLYMAN EVANS: Mr. Purcell, the question I would like to ask you, I'll be very brief, but they are strictly, I believe, policy questions, that is, policy of the department I want you to understand, you no doubt have had more time to look at Senate Bill No. 5 than many Members of the Legislature. In fact, it was just delivered to us day before yesterday, and the printing department is somewhat behind in their work, and I would like to ask you a couple of questions with reference to policy. I want to read to you part of a section on page 13, Section 6, Senate Bill No. 5, and if you are familiar with that part, why rather than me reading the entire paragraph, you can stop me. "Out of the money available for expenditure in County Groups Nos. 1 and 2 respectively the commission *shall* allocate for expenditure and the department *shall* expend or cause to be expended in every county, including cities and counties, in each such county group, for the construction of and the acquisition of rights of way for, state highways in every such county of at least 25 percent of

the estimated cost of construction * * * during the five-year period commencing July 1, 1946, and ending June 30, 1951." Are you familiar with that part of it?

MR. PURCELL: I'm somewhat familiar with it.

ASSEMBLYMAN EVANS: Let me ask you, does this mean that only one-half of the projects would be finished in the first five years? It says here, if you carry through the thought here on policy, that would mean—does this mean only one-half of many of the projects will be done in a 10-year, or in any designated time?

MR. PURCELL: It would be according to how much money was available as to when they would be finished.

ASSEMBLYMAN EVANS: I mean, provided Senate Bill No. 5 was passed, what reason is there for such a requirement as to one-fourth in the first five years?

MR. PURCELL: I would prefer to have Mr. Montgomery. Would you reply to this question on the bill? Mr. Montgomery has read the bill and analyzed it.

MR. MONTGOMERY: Mr. Evans, you are reading the Mayo amendments, that Mr. Mayo inserted.

ASSEMBLYMAN EVANS: I don't know who inserted the amendments.

MR. MONTGOMERY: You were mentioning the policy of the department. I can assure you that the department didn't put those provisions in the bill or suggest them to anybody. The effect of those provisions, Mr. Evans, is that 25 percent of the $1,420,000,000, which by some Senate changes in the report which the department submitted was raised to $1,700,000,000 when some additional expressways were added to the bill, 25 percent of that sum would have to be spent in the first five years by counties in the proportion that the critical deficiency shown in that report for each county bears to the total deficiency shown in that report. That is a county guarantee that a certain sum of money will be spent in each five years in each county.

ASSEMBLYMAN EVANS: Well now, Mr. Montgomery, wouldn't that mean if Mr. Mayo's amendments carried, that we would have a whole bunch of projects all over the State partially finished at the same time?

MR. PURCELL: Yes, sir.

ASSEMBLYMAN EVANS: Shall I ask you this question. Does that meet with the approval of the department, the Mayo amendments?

MR. PURCELL: No, sir. Very definitely not.

ASSEMBLYMAN EVANS: Thank you.

CHAIRMAN HOLLIBAUGH: Mr. Geddes

ASSEMBLYMAN GEDDES: Mr. Purcell, not to take any undue advantage of you, I want to clear up in my own mind at least part of your testimony as given today. On page four of your brief which was filed with the chairman, you say, "The Division of Highways has prepared and submitted to the Legislature a budget for the next Fiscal Year. A copy of this budget is being furnished your committee today." We will get those, I imagine, before we adjourn?

MR. PURCELL: They are here now, Mr. Geddes.

ASSEMBLYMAN GEDDES: Mr. Chairman, later on I ask those be distributed because I think they will probably clear up some of these points. "It shows an estimated income of $69,767,000. It shows also the

allocation to administration, maintenance, highway planning, maintenance and operation of the San Francisco-Oakland Bay Bridge, and other items which must be taken care of with highway funds. After all these items are taken care of, there is available for construction projects approximately $27,000,000, and $6,000,000 for the purchase of rights of way." In other words, do I understand correctly that there is $27,000,000 and $6,000,000, which is $33,000,000, or that there is $27,000,000 total less $6,000,000?

MR. PURCELL: Mr. Vickrey, could you answer that?

MR. VICKREY: The rights of way is in addition to the $27,000,000.

ASSEMBLYMAN GEDDES: That would be $33,000,000?

MR. VICKREY: That is right.

ASSEMBLYMAN GEDDES: "The department will be able to expend for construction work during the next fiscal year only $27,000,000 unless additional funds are provided.

"The Division of Highways has additional plans prepared for approximately $40,000,000 worth of work that could be let to contract during the next fiscal year if sufficient funds were available to cover that work. It also has plans in preparation amounting to approximately $100,000,000 that can be quickly completed and made ready to let to contract." Now, I think this brings us right back to Mr. Anderson's question. If immediate steps can be taken to provide up to $100,000,000 or we will say this $27,000,000 plus such other money, $73,000,000, which would bring it to $100,000,000, you would have money enough available to get going and do a great deal of work. You could do or undertake in the immediate future practically all that you could whether you were working on a 10 year, 14 year, or working for right now, isn't that true?

MR. PURCELL: We can expend and organize to expend with our plans and so forth any amount that is reasonably hopeful.

ASSEMBLYMAN GEDDES: But you really could get to work and do a job with $100,000,000.

MR. PURCELL: You would do a job for one year.

ASSEMBLYMAN GEDDES: That is right.

MR. PURCELL: And leave the rest for the future.

ASSEMBLYMAN GEDDES: And in the meantime we are dusting off the face of the crystal ball and seeing what happens to labor, and we are taking care of some of these deficiencies and you have plans that would be ready to go so there would be no delay, that is, according to the testimony as I read it.

MR. PURCELL: The testimony as far as I am concerned, I believe that the only way you are going to have a highway system built, and we have been at it many years here, is to have it under way under a continuous operation. You know your future income and can plan accordingly. All you do if you have got a one year and no more would be to have a bitter strife over where it should go, and to take care of the scattered program—well it lends itself to all kinds of difficult situations, and it does not make progress on a highway system in a proper manner.

ASSEMBLYMAN GEDDES: That is right. We will set out the system and here's a highway program. It is a general program and then each year you would come in with a budget and tell us you have expended a certain amount of money to do certain things and there was so much money left or there was a deficit of so much, and that during the next

year you were going to do a certain part of that general program. You can't do it all at once anyway regardless of the fact that I don't think we have the contractors.

MR. PURCELL: We have contractors enough to let contracts for any program I have heard proposed in this Legislature.

ASSEMBLYMAN GEDDES: Let's come back to this one you are talking about. Therefore, if we appropriated out of the General Fund enough to do these that are presently contemplated, we would be on our way, whether it is a 10-year program or not.

MR. PURCELL: That is a matter for a legislative decision. I think the General Fund has other purposes.

ASSEMBLYMAN GEDDES: Although the General Fund has other purposes, yet the fact is that since 1933 the gross receipts tax on trucks have been deposited in the General Fund. Certainly by any manner or reasoning, they could be reappropriated from the General Fund to solve this critical program right now and prevent the killing of people on the highways. Don't you think that would be a logical thing to do, to make an appropriation of this $40,000,000?

MR. PURCELL: That amount wouldn't contribute much to the general picture.

ASSEMBLYMAN GEDDES: No, but it is a part of this 10-year program, and then I'll be perfectly willing to increase that to give you this $100,000,000 that you can use almost immediately.

MR. PURCELL: We have set out a general policy that's been a policy that's been followed successfully. Our funds have been limited, but I think that the highway user in this State, if the proper charge is made for the use of our highways, and is properly distributed, that that is the right way to carry on.

ASSEMBLYMAN GEDDES: We will agree in part with that, but we will say we are talking about getting some highways built immediately and we know all the headlines have been used for that, and I'm looking for a possible solution. There are so many entanglements in Senate Bill No. 5, and maybe we can make an analysis and solve the job and go ahead with the job in an orderly manner.

CHAIRMAN HOLLIBAUGH: Mr. Waters is next.

ASSEMBLYMAN WATERS: Mr. Purcell, Mr. Knight and Mr. Geddes both alluded to the matter which I wish to cover in a few questions, and that is the equitable distribution of the tax which would be charged for the cost of building these highways. I believe you stated that the policy of this State has been determined that the direct highway user would be the one who would pay for the construction of these highways.

MR. PURCELL: That is right.

ASSEMBLYMAN WATERS: Now, do you believe—Mr. Knight made reference to this and there was some statement—I may have taken this down wrong, but you said you thought there should be a broad base which would contemplate the inclusion of other people in paying for it.

MR. PURCELL: I said nothing about other people. I confine it to highway users.

ASSEMBLYMAN WATERS: Solely to highway users?

MR. PURCELL: People using the highway.

ASSEMBLYMAN WATERS: Then those other people who necessarily receive some benefit from the cost of construction of the highway, you

do not insofar as the department is concerned, contemplate they should pay?

MR. PURCELL: I don't know what you refer to in other people.

ASSEMBLYMAN WATERS: Well, primarily, I believe it is a fundamental proposition that unless these highways are a benefit to all, or at least nearly all the people of the State of California, we should proceed cautiously on them in a sum of this size. It is a tremendous sum, so I believe that rather than the direct users of the highways themselves being the only ones that will achieve any benefit from this program, the communities and other individuals involved do receive some advantage, isn't that correct?

MR. PURCELL: Of course, they receive advantages, yes.

ASSEMBLYMAN WATERS: But, you do not then believe those people should pay for the cost?

MR. PURCELL: I think they pay in their use of what goes on rubber. I think that is the way California moves, is on rubber in a major way.

ASSEMBLYMAN WATERS: I'm from Los Angeles. Take the people who ride only the local transit system, the trolleys there. I believe they will achieve some advantage in that the ingress and egress to metropolitan Los Angeles would be speeded up by less congestion on the local streets. Other people using the freeways would lessen the traffic on the local streets. Isn't that correct?

MR PURCELL: Of course, they pay for their ride.

ASSEMBLYMAN WATERS: That is true, but you don't believe they should be brought within the scope of our tax base in this particular problem?

MR. PURCELL: I think the users of the highway is the measure that we have taken to finance it.

ASSEMBLYMAN WATERS: Well, now carrying this a step further. Insofar as certain properties are concerned, in other words, a highway goes past a piece of property. Some of that property is increased in value. Do you believe the property itself should have a tax imposed upon it to cover part of the cost?

MR. PURCELL: I don't. I do not believe that it is practical as far as state highways are concerned—I'm speaking on that subject entirely—to measure that in any way would be equitable. I think the user way is the proper method.

ASSEMBLYMAN WATERS: In other words, it is a matter of impossibility to assess the tax?

MR. PURCELL: Very definitely.

ASSEMBLYMAN WATERS: One problem that occurs to me is in Los Angeles. We have a great number of large office buildings and large stores, and many people have been taking the trade away from those stores because of the inability to proceed with the installation of sufficient freeways When those are completed, we will be able to funnel more people to metropolitan Los Angeles, and I believe the property values will at least maintain their present level and possibly increase. At any rate they won't go down. You don't believe those people in the cities, and I presume San Francisco will be the same, those properties should not be assessed?

MR. PURCELL: I'm talking only of state highways, and the only proper way of financing them is the highway user.

ASSEMBLYMAN WATERS: Correct my impression if I'm wrong. Aren't there contemplated freeways in and through Los Angeles?

MR. PURCELL: In and through cities, that is true

ASSEMBLYMAN WATERS: People will be able to go off freeway systems into Los Angeles?

MR. PURCELL: That is right.

ASSEMBLYMAN WATERS: Has the Department of Public Works or your Highway Commission ever conducted any kind of a study which involves the assessing of property affected by this proposed highway system insofar as taxing them is concerned?

MR. PURCELL: No, we don't believe—I'm not speaking for the rest of the Highway Commission, but I'm sure we believe that the policy set here in California many years ago is still the proper policy of financing. These are controlled access highways. They are no different from any other only that they make the use of them better for traffic. More people can travel them, four and five times as many as the ordinary road, and in that way we believe the user gets the benefit.

ASSEMBLYMAN WATERS: That policy was determined how long ago, may I ask?

MR. PURCELL: Determined in California when the first motor vehicle tax was put on and has continued ever since.

ASSEMBLYMAN WATERS: How were highways financed prior to the time of the gas tax?

MR. PURCELL: They were financed with property bond issues. Some of them are still in existence

ASSEMBLYMAN WATERS: Prior to the advent of the gas tax, then they did have property that was taxed?

MR. PURCELL: Some of the highways have gone and the bonds are still here.

ASSEMBLYMAN WATERS: This property did pay part of the burden of the construction of highways prior to the advent of the gas tax?

MR. PURCELL: Well, they issued these bonds.

ASSEMBLYMAN WATERS: In your opinion though the acceptance of the gas tax in California was tantamount to a complete change of policy?

MR. PURCELL: And other taxes that affect the users of the highways.

ASSEMBLYMAN WATERS: I'm speaking generally of highways.

MR. PURCELL: Yes, and that is true throughout the Nation.

ASSEMBLYMAN WATERS: I have another report here by Mr. Lindman in which he made a breakdown insofar as he was concerned in the apportionment of the cost, and briefly he states that the highway user should be required to pay 73 2 percent of the cost, that the county taxpayers should be required to pay 12.7 percent of the cost, the city taxpayers 10.1 and the federal aid would comprise the remaining 4 percent. Now, I would like, if possible, an opinion from you as to the fairness of the report and just what the department's position is on that.

MR. PURCELL: I think that is ideal probably from his point of view, but we have nothing to agree to that. I think it is a legislative matter.

ASSEMBLYMAN WATERS: It is true the Legislature makes the final determination.

MR. PURCELL: But, I don't believe property taxation—I'm talking about state highways—can be levied for highways.

ASSEMBLYMAN WATERS: We can't recognize that increase in value insofar as apportioning the cost?

MR. PURCELL: It is very intangible and hard to figure.

ASSEMBLYMAN WATERS: There was reference to Senate Bill No. 5, I believe it is. There are several provisions in there which, according to the digest of the Legislative Counsel, and I would like to ask the department's position on that. One of the provisions is that the quarter of a cent per gallon gasoline tax now earmarked for expenditure on the construction and maintenance of state highways in the cities. There is a recommendation that be eliminated—now, was that a department recommendation, may I ask?

MR. PURCELL: No, the department has not recommended that, and I don't believe we have made any recommendations, isn't that true?

MR. MCCOY: There has been no recommendation.

ASSEMBLYMAN WATERS: Do you know whether it is a State Highway Commission recommendation?

MR. PURCELL: No.

ASSEMBLYMAN WATERS: Do you know the source of that?

MR. PURCELL: No, I do not.

ASSEMBLYMAN WATERS: We have another recommendation that counties—I believe they now receive one cent of the gasoline tax, and they recommend an increase in this bill of three-eighths of a cent to the counties. Is that a department recommendation?

MR PURCELL: That is not a department recommendation. That is a Senate bill No doubt that is in the Senate.

ASSEMBLYMAN WATERS: It is a Senate bill, that is correct

MR PURCELL: We haven't made any distribution on counties.

ASSEMBLYMAN WATERS: To your knowledge that is not the recommendation of the State Highway Commission?

MR PURCELL: No, that is a county matter and an elective matter.

ASSEMBLYMAN WATERS: Do you know the basis of that recommendation?

MR. PURCELL: No, I don't.

ASSEMBLYMAN WATERS: Presumably your department had an opportunity to review the bill. What is the position of the department on that three-eighths of a cent recommendation?

MR. PURCELL: The department is not taking positions on the county matters We are taking a position on the state highways and have stated the problems to the Senate as they appear. We are not taking a part in what the county should have because we don't have the basis of fact.

ASSEMBLYMAN WATERS: Again, correct me, does not this three-eighths cent—is it not contemplated that that will go to the state highways for the counties? Is that for the county roads?

MR. PURCELL: I think it is for—I'm pretty sure it is for the county roads. We have no part in it

ASSEMBLYMAN WATERS: Like Mr. Evans, I haven't had adequate time to familiarize myself with the bill.

MR. PURCELL: It goes to the county.

ASSEMBLYMAN WATERS: It goes to county roads and not state highways in the counties?

MR. PURCELL: That is right.

ASSEMBLYMAN WATERS: We have a similar situation insofar as the cities are concerned where the recommendation is that five-eighths of a cent be allocated to the cities That is not a department recommendation or a Highway Commission recommendation?

MR. PURCELL: That is right.

ASSEMBLYMAN WATERS: Again the department or the commission is not familiar with the origin of that particular recommendation?

MR. PURCELL: No, the origin I do not know.

ASSEMBLYMAN WATERS: Would you care to express an opinion as to the soundness of that?

MR. PURCELL: No, that is for another governmental body to decide

ASSEMBLYMAN WATERS: The department takes no position on those allocations at all?

MR. PURCELL: No.

ASSEMBLYMAN WATERS: I understand at the present time there are certain allocations of funds from the state gasoline tax to the cities and counties?

MR. PURCELL: Yes, a quarter of a cent for major streets and there is a quarter cent that is expended on the state highways within cities, or can be used for construction or maintenance, but the department approves the expenditure of the quarter cent on state highways, whether it be for maintenance or construction.

ASSEMBLYMAN WATERS: Just what type of control is exercised by the department over this money once the allocation is made?

MR. PURCELL: We have more control of the quarter cent on the state highways in the cities than we have on the other The quarter cent is spent on major streets and is approved by the department.

ASSEMBLYMAN WATERS: In other words, plans for the improvement of the street are submitted to the department and receive your approval?

MR. PURCELL: That is right.

ASSEMBLYMAN WATERS: Prior to any expenditure?

MR. PURCELL: That is right, or approval for maintenance if they submit a budget.

ASSEMBLYMAN WATERS: Well, now maintenance, I presume * * *

MR. PURCELL: Funds can be used for maintenance.

ASSEMBLYMAN WATERS: That must come up to certain department standards?

MR. PURCELL: On the state highways, it has to come up to what we expect as standard for state highways. On major city streets, there isn't the same control. The cities have jurisdiction on the expenditure for maintenance.

ASSEMBLYMAN WATERS: What degree of control is exercised over that?

MR. PURCELL: By the department?

ASSEMBLYMAN WATERS: By the department.

MR. PURCELL: We approve the budget.

ASSEMBLYMAN WATERS: And that is all?

MR. PURCELL: Yes.

ASSEMBLYMAN WATERS: They say, "We are spending this much money for this particular project," and you say yes or no?

MR. PURCELL: They submit a budget and we approve it.

ASSEMBLYMAN WATERS: Just so long as they keep within the scope of the money that is properly allocated to them?

MR. PURCELL: That is the quarter cent for major streets you are talking about?

ASSEMBLYMAN WATERS: Yes.

MR. PURCELL: That is right.

ASSEMBLYMAN WATERS: Just so they remain within the scope of their budget allocation?

MR. PURCELL: And build to proper standard.

ASSEMBLYMAN WATERS: Then you do exercise control over standards?

MR. PURCELL: They know our standards and we generally work those together.

ASSEMBLYMAN WATERS: That is for counties?

MR. PURCELL: No, we have nothing to do with the counties. That is the cities only.

ASSEMBLYMAN WATERS: How much money is appropriated to the counties now under the present setup?

MR. PURCELL: The counties get the one cent and they get certain other vehicle fees.

ASSEMBLYMAN WATERS: Is there any control over that money that is allocated to counties?

MR. PURCELL: We have no control over county money in the department.

ASSEMBLYMAN WATERS: I would like your recommendation as to the type of control, the degree of control that should be exercised by the department over this money?

MR. PURCELL: I'm not making a recommendation for the counties. I think it is a matter for the Legislature to determine.

ASSEMBLYMAN WATERS: The Legislature must make a determination from the facts, Mr. Purcell, but we can only do it on the strength of trained advice.

MR. PURCELL: I have the facts on the highway expenditures. You don't get the information on which to base it. The Collier Committee secured certain facts, I believe.

ASSEMBLYMAN WATERS: Then, insofar as the Department of Highways is concerned, all you know is that 1 cent of the gasoline tax goes to the counties?

MR. PURCELL: That is right We have no control over their expenditures. They submit to the Secretary of State some kind of a report they make, but we have no control.

ASSEMBLYMAN WATERS Would it be a feasible thing to have some degree of control maintained by the department over this money? Would it coordinate the whole program—what I'm getting at is efficient administration?

MR. PURCELL: I couldn't answer on that. Some counties don't need it. That is the problem. It is beyond me. If we had a study and knew all about them—the counties are another problem to be studied by the Legislature. Facts have been submitted and there it is.

ASSEMBLYMAN WATERS: Well, as a matter of fact, in the county reports there is a table there which attracted my interest, and I notice that certain counties have no tax levied against property for roads while

others have a tax running up in some cases as high as 40 cents. Offhand I notice in Riverside County, Yuba County, they have 40 cents, and certain other counties have no tax whatsoever. Now, do you believe that is a correct procedure insofar as the over-all state policy is concerned?

MR. PURCELL: I think that would have to be a matter for that particular board of supervisors to decide whether it is needed. I do not know the details.

ASSEMBLYMAN WATERS: Possibly some of these counties are relying solely on state money to build roads. Don't you think it would be good for these counties to assess a minimum tax in order to participate in the state tax?

MR. PURCELL: I reiterate not knowing the financial conditions or how they use the money in detail, I think the committee that studied that has all the facts, and that is the only way you can make a determination. I haven't the facts on which I could base an answer.

ASSEMBLYMAN WATERS: I'm trying to look at the over-all highway program.

MR. PURCELL: I appreciate that, and I'm sorry we do not have factual information to answer that.

CHAIRMAN HOLLIBAUGH: Mr. Ralph Dills.

ASSEMBLYMAN RALPH DILLS: Mr Purcell, in your statement you mentioned that there were some $40,000,000 in urgently needed work which had been approved by the Highway Commission and for which money was not available.

MR. PURCELL: I think, Assemblyman Dills, I made the statement that we have plans and are ready for work on $40,000,000 of projects for which we have no funds and those are left over from the postwar program at the present time.

ASSEMBLYMAN RALPH DILLS: Yes. Now, does your department have the description of these projects, plans for them, the estimated costs and the date when each project should be commenced and let and completed?

MR. PURCELL: Well, part of that, I think that Mr. Vickrey could answer that question. He is the budget officer that keeps track of all that.

MR. VICKREY: We have a list of those projects, Mr. Dills. I believe we furnished it to you.

ASSEMBLYMAN RALPH DILLS: That is the point I'm trying to get at. I addressed a letter to you January 22d asking for that, and we haven't received it to date.

MR. VICKREY: We sent you quite a tabulation of those projects and that was in that list of tabulations.

ASSEMBLYMAN RALPH DILLS: Well, it hasn't come to my attention as yet.

MR. VICKREY: I have an extra copy on my desk for the committee, if you want it.

ASSEMBLYMAN RALPH DILLS: I'm sure if you were to answer the questions I directed to you, the committee would be much interested in this information. It may have been chasing me up and down the State.

MR. VICKRLY: Those letters, I believe there were two—at least one letter that was answered a good many days ago, and there are extra copies. It is the answer to your letter.

ASSEMBLYMAN RALPH DILLS: I would appreciate myself being in possession of one of them today or as soon as you can make them available, because apparently Uncle Sam's mail service hasn't reached me as yet.

MR. VICKREY: I'll have them brought over right away.

ASSEMBLYMAN RALPH DILLS: In addition I asked this information. Did you also include the question on the number of contracts let and the date when they were let and a description of the work and the cost, and do you recall that additional information?

MR. VICKREY: We answered every question in your letter as accurately and completely as we can answer them.

CHAIRMAN HOLLIBAUGH: Could we stay with Mr. Purcell on our questioning?

ASSEMBLYMAN RALPH DILLS: Mr. Chairman, I didn't direct my questions to this gentleman. I directed them to Mr. Purcell, and since Mr. Purcell has seen fit to have someone else answer the question, I have no alternative but to accept the answer.

CHAIRMAN HOLLIBAUGH: I just merely ask if you could continue to question Mr. Purcell? He has another meeting.

ASSEMBLYMAN RALPH DILLS: I appreciate Mr. Purcell is a busy man, but $3,000,000,000 is a lot of money. Now, Mr. Purcell, this question is directed to you. Assuming that all of the money would be available, assuming that Senate Bill No. 5 or some similar bill were passed and you had all the money that you would contemplate using in the next 10 years or 15 years or some term of a program, would it be the policy of the Highway Department to let those contracts immediately, or soon, and to get under way on the building of those projects?

MR. PURCELL: We would carry them out as soon as funds are available and start letting contracts to build it because of the need in California for the construction work, yes.

ASSEMBLYMAN RALPH DILLS: And then it would be your policy to let them immediately if there were bidders for these contracts?

MR. PURCELL: Yes. There is no question about having bidders. There are plenty of them.

ASSEMBLYMAN RALPH DILLS: Plenty of bidders?

MR. PURCELL: Yes.

ASSEMBLYMAN RALPH DILLS: They are bidding, however, on present labor costs and the cost of materials at the present time?

MR. PURCELL: Naturally. When our bids are in, they are to be done within a year.

ASSEMBLYMAN RALPH DILLS: Do you have any opinion on this question? Do you think that costs today are near the peak, or are they pretty near the peak with respect to materials and labor?

MR. PURCELL: I have heard of peaks being set before and I think your judgment would be as good as mine.

ASSEMBLYMAN RALPH C. DILLS: I'm asking for your judgment.

MR. PURCELL: I believe that we have unless there are further increases here, we have reached a peak, but what we may do with labor, I cannot answer. I believe they are on a fairly high level. I don't believe this level is going to be much lower.

ASSEMBLYMAN RALPH C. DILLS: You don't believe it will be much lower for what period of time, say two years?

MR. PURCELL: Under our governmental effort here, they are going to try to keep up the income. If they are successful, it is apt to continue for quite a long time, possibly 5 or 10 years.

ASSEMBLYMAN RALPH C. DILLS: Would not the fact that we were letting all of these contracts calling for bids from the contractors all over the State to complete this whole program and let it now, wouldn't that tend to make labor and all of these bids higher because we are having fewer people compete for them?

MR. PURCELL: We have let $80,000,000, and I can't see that has been the effect because we have plenty of competition. The only thing that will change it is the wage scale that exists at the time. Now, by cutting down the work, you may force men to work at lower wages and reduce their wages by force. Under our setup, I can't see a material decrease.

ASSEMBLYMAN RALPH C. DILLS: You are speaking only in terms of the labor phase of the picture. Of course, there is the matter of materials.

MR. PURCELL: So far as contractors are concerned we are having more bids now at the close of the $80,000,000 which we have let than we had before. We have had as many as 15 bidders on one contract, and we figure the competition is as satisfactory as it has been in the history of the 19 years I have been here.

ASSEMBLYMAN RALPH C. DILLS: I wouldn't blame contractors for bidding if they can get the prices we are having to pay now.

MR. PURCELL: We don't set what they bid They bid what they wish.

ASSEMBLYMAN RALPH C. DILLS: But, if a number of bidders would be limited, as it certainly would be limited by the fact that you are asking for this whole program to be let within the next two or three years * * *

MR. PURCELL: We are not going to let the program, only as the funds become available. Whatever funds the Legislature provides for us will be let to contract. That is the reason for the money to carry on this construction, and the highway conditions in California and the volume of traffic and your accident rate make it necessary that we proceed, because you can't build them in depression time

ASSEMBLYMAN RALPH DILLS: Now, you remember I assumed that we gave you all the money you were asking for, the Highway Department under that circumstance doesn't recognize that by letting the contracts now, we possibly will be decreasing the number of highways that we can build by the amount of money that we are above normal prices?

MR. PURCELL: You are also by delaying it increasing the number of highways you are going to have to build, because we have shown the change in our depreciation of highways, and they will continue further if you keep lagging behind. You are going to pay one way or another whether we build or not.

ASSEMBLYMAN RALPH DILLS: All I can conclude that you are able to be certain about is that you want more money.

MR. PURCELL: I'm certain California needs highways. It is 44th in all the states, and it has continued to lag behind for a considerable time. We need the funds to take care of congested traffic in this State and the number of accidents that go beyond the State of New York and Pennsylvania, and that is going to continue.

ASSEMBLYMAN RALPH DILLS: We will get into the question of what causes accidents in another inquiry

MR. PURCELL: Yes.

ASSEMBLYMAN RALPH DILLS You said in answer to a question directed to you by Assemblyman Dills that it would be more expensive probably to wait? Just what did you mean by that?

MR. PURCELL: Because you are going to increase the number of highways that are completely destroyed, and they require a great deal more money to replace them than to maintain them. On a 14,000 mile system the delay in providing sufficient money to construct and maintain, reconstruct and take care of this system it will result in increased numbers of highways that go beyond the period when you can properly reconstruct them without complete reconstruction.

ASSEMBLYMAN RALPH DILLS: It is true that the contemplated legislation with respect to the increase of taxes doesn't become effective until the first of July, isn't that correct, of 1947?

MR PURCELL: You mean some bills in the Senate now?

ASSEMBLYMAN RALPH DILLS: Yes, Senate Bill No. 5.

MR. PURCELL. Yes.

ASSEMBLYMAN RALPH DILLS: In other words, so far as this Legislature is concerned, we could debate this issue up until June and still you wouldn't raise a dollar more because it isn't to become effective until the first of July?

MR. PURCELL: That is correct.

ASSEMBLYMAN RALPH DILLS: Now, do you think that the Legislature should have something to say about what highways are built and where they should be built?

MR. PURCELL: You mean the individual project?

ASSEMBLYMAN RALPH DILLS: Yes.

MR. PURCELL: Well, it's not done in any major state that I know of.

ASSEMBLYMAN RALPH DILLS: Well, what do you think?

MR. PURCELL: I don't think that it would be practical or feasible to handle it in a legislative body. We have the laws and we have the system laid out. We have the budget that is submitted to you and you can see what they are used for. To pick out individual projects would mean an annual meeting of the Legislature and there would be a long period where nothing could be done while it was debated.

ASSEMBLYMAN RALPH DILLS: You stated you are submitting a budget to us. It is true there is a page or two devoted in this big thing which is not the budget, but which is commonly called the budget. It is true there is a big page devoted to your needs and wants and so on, but isn't it a fact that there isn't any item in the budget bill as such which has to do with your department with respect to construction of highways?

MR. PURCELL: I think so. We show for what those funds can be used in there.

ASSEMBLYMAN RALPH DILLS: Those funds come to you automatically, don't they?

MR. PURCELL: But, our budget shows where those funds are expended.

ASSEMBLYMAN RALPH DILLS: Yes, but this Legislature doesn't have any prerogative to determine where you shall expend those funds.

MR. PURCELL: If you refer to individual projects, no.

ASSEMBLYMAN RALPH DILLS: Therefore, we are to assume that your division thinks so little of the Legislature that you do not feel that the Legislature is competent to determine where the money should be spent on the highways?

MR. PURCELL: The Legislature created the law under which we operate and we carry it out. Now, we have a Highway Commission. The division doesn't do all of this. The Highway Commission is empowered to do the budgeting. That is their principal duty.

ASSEMBLYMAN RALPH DILLS: The Highway Commission is a body which meets once every two weeks, is that about right?

MR. PURCELL: Yes.

ASSEMBLYMAN RALPH DILLS: It is a nonsalaried group?

MR. PURCELL: That is correct.

ASSEMBLYMAN RALPH DILLS: They get a per diem for the days in which they meet?

MR. PURCELL: Yes.

ASSEMBLYMAN RALPH DILLS: Therefore, you would think that the State Highway Commission, people who have their own private business and who meet say once every two weeks is more competent to determine what highways should be built than the Members of this Legislature?

MR. PURCELL: I'm not choosing between them and the Legislature I will say they are fewer men and they are assigned that job, and in my opinion they are doing a very thorough job of consideration of the projects by studying them and getting all the information necessary to make their decision

ASSEMBLYMAN RALPH DILLS: It occurs to me that Hitler and Mussolini is fewer than the Legislature, too.

MR. PURCELL: He created himself. This Legislature created the Highway Commission.

ASSEMBLYMAN RALPH DILLS: This Legislature then is to blame for that, and I agree to that. As I remember we have remedial legislation coming along on that score. Now, I want to ask you one other question. In Los Angeles, before our Joint Interim Committee on Housing we had testimony from the Mayor of Los Angeles to the effect that 62,000 people, residents of Los Angeles County, would have to be dispossessed, would have to be taken out of their homes within a period of two years, and some of them by next July 1st in order that the freeway systems that are in contemplation could be effected, is that a true statement?

MR. PURCELL: I do not know on what basis the mayor replied to that and how his estimate is prepared. I know only where we are carrying on our work on our systems, and we have information on what there is to do on those.

ASSEMBLYMAN RALPH DILLS: Could you furnish me with the estimates of your department as to the number of houses that it will be necessary to tear up or move or to do away with, demolish, or sell or otherwise dispose of in order to complete your highway program in Los Angeles County?

MR. PURCELL: You mean on a 10 or 12-year program?

ASSEMBLYMAN RALPH DILLS: I mean the program which is budgeted.

MR. PURCELL: And under way now?

ASSEMBLYMAN RALPH DILLS: Yes.

MR. PURCELL: We can tell you what is left there. We have moved most of them.

ASSEMBLYMAN RALPH DILLS: You have moved most of them?

MR. PURCELL: Yes, and put them in a place to live.

ASSEMBLYMAN RALPH DILLS: You do not agree then with the mayor's statement that 62,000 * * *

MR. PURCELL: I said I didn't know the basis on which the mayor based the statement.

ASSEMBLYMAN RALPH DILLS: In your opinion would the federal moneys which are to aid in the building of the freeway system there be jeopardized if you did not continue this program on schedule?

MR. PURCELL: We have practically expended very close to the total amount of federal aid that is available to this State.

ASSEMBLYMAN RALPH DILLS: Then there is no fear in your mind that federal funds would not be allocated to the State of California to complete this project if you did not carry on this project immediately?

MR. PURCELL: The federal funds were appropriated on a three-year basis have been used up. Other states haven't used them up. I couldn't answer whether there will be any more or not.

ASSEMBLYMAN RALPH DILLS: You are not expecting any more federal funds then?

MR. PURCELL: I couldn't answer how much.

ASSEMBLYMAN RALPH DILLS: For those projects?

MR PURCELL: From the attitude of Congress and the speeches, it looks like it will be a great deal less, if any.

ASSEMBLYMAN RALPH DILLS: You are not expecting more federal funds for those projects?

MR. PURCELL: Our federal funds are budgeted just like the income from the gasoline tax.

ASSEMBLYMAN RALPH DILLS: Assuming you didn't go ahead with this work as you have contemplated, you do not fear that the Federal Government will hold up any funds to the State that have been allocated for those freeways?

MR. PURCELL: I cannot tell what the Federal Government will do, but I see no reason why they should.

ASSEMBLYMAN RALPH DILLS: But, you do not fear it? You do not understand they will

MR. PURCELL: They are holding funds now available to the State of California for expenditure They have approved the program and are going ahead. They approved the awarding of the contracts.

ASSEMBLYMAN RALPH DILLS: Mayor Bowron stated to us that it was necessary to dispossess sixty-two thousand people in Los Angeles County because the Division of Highways impressed upon them and said they must go forward with this freeway program because if they did not, federal funds would be jeopardized by their failure to do so.

MR. PURCELL: I don't know when Mayor Bowron made his statement, but we would be very glad to furnish you with what is involved in the highways under construction if you wish to have them, that this department has to do with We do not know what the city may have to do in addition thereto.

ASSEMBLYMAN RALPH DILLS: I assumed that the mayor knew what he was talking about. Perhaps he doesn't.

MR. PURCELL: I'm talking for the state highways. I don't know what the mayor had in mind. I'm talking for our own state highways.

ASSEMBLYMAN RALPH DILLS: Now, I don't want to labor the point, but it is very important to people who want to live in a house. They have that right, and if we are dispossessing them by building a freeway, dispossessing some sixty-two thousand people, and if it isn't necessary to do it right now, I think we shouldn't do it.

MR. PURCELL: There were no sixty-two thousand put out at all. We have moved them into houses down there. They have been taken care of to date.

ASSEMBLYMAN RALPH DILLS: It is your belief that all of the people whose homes were along the route of the Hollywood freeway * * *

MR. PURCELL: No, where we have funds available and are planning now for the freeways, we intend to carry out our policy of finding places, and carrying out our work just as we are now. Los Angeles has done very well in housing the people in trailers and the various places where it has come up so there are only a limited few involved in the funds available to this department.

ASSEMBLYMAN RALPH DILLS: In your opinion, no considerable number of people have been inconvenienced?

MR. PURCELL: I wouldn't say they haven't been inconvenienced.

ASSEMBLYMAN RALPH DILLS: Or dispossessed, that is put out of that home?

MR. PURCELL: There have been none put out on the street to date.

ASSEMBLYMAN RALPH DILLS: And isn't it a fact that there are numerous homes along this Hollywood freeway route on which there are homes which are now owned by the State and are being rented back to their former owners, and they are living in them now?

MR. PURCELL: We are moving these homes, and they are moving into them again. We are moving them off very rapidly now than we have been.

ASSEMBLYMAN RALPH DILLS: Well, I can see that the problem doesn't seem to be a great one to you. The Mayor of the City of Los Angeles probably thinks it is otherwise

MR. PURCELL: The mayor is probably telling you the truth on a wider basis and covering a lot more projects than the State has anything to do with. I'm talking of the situation that exists today on what we have funds for.

ASSEMBLYMAN RALPH DILLS: Do you have funds for all the Hollywood freeway? Is that completed?

MR. PURCELL: We haven't funds for all of it, no.

ASSEMBLYMAN RALPH DILLS: You haven't all the funds for the Hollywood freeway?

MR. PURCELL: No.

ASSEMBLYMAN RALPH DILLS: Do you have enough funds to begin work on it?

MR. PURCELL: Yes, we have, that is true.

ASSEMBLYMAN RALPH DILLS: So that the dispossessing these people is necessary?

MR. PURCELL: Where they are being dispossessed is where it is necessary for our construction program. They have had plenty of notice. And another thing, I don't like the word "dispossessing." They have

been offered or put in houses, and we have moved houses that they occupy or they have sold them and gone to other places, but new houses are being built.

ASSEMBLYMAN RALPH DILLS: I use the word "dispossessing" because it has a very clear meaning to me. You put them out.

MR. PURCELL: We have not put them out. There is where you are mistaken.

ASSEMBLYMAN RALPH DILLS: You mean you have moved all these houses to a site?

MR PURCELL: I didn't say that.

ASSEMBLYMAN SHERWIN: Mr. Chairman, I don't think we should take the time to listen to this dispossessing of people in Los Angeles.

ASSEMBLYMAN RALPH DILLS: Thank you, Mr. Chairman, for your patience. I want to point out to Mr. Sherwin, however, that the question of whether or not the State will have to buy and build homes to put these people in is before this Legislature, and will be before it, and they are out in the streets or will be some of them by the first of July. If that isn't pertinent to the whole highway program, I don't understand it.

ASSEMBLYMAN SHERWIN: I know of no bill before us to debate or solve that problem. I think we are taking up time on a foreign matter.

ASSEMBLYMAN RALPH DILLS: Just one other question, Mr. Chairman. Do you feel that the highways which you could build and design today would be adequate for the traffic, the type or kind of traffic and the development of machines 10 years from today?

MR. PURCELL: We will design as we have in the past the quality necessary to serve the traffic that we can see and the standard of design as it exists. California has been an underfinanced State for many years, and to keep the traffic from being in the mud, we have had to build some thinner highways for the use of the people that we wished. If we are properly financed we don't have to do that.

ASSEMBLYMAN JAMES: I'm very sorry, Mr. Purcell, to detain you for a moment longer, but I will promise not to detain you as long as some of these other gentlemen. First of all, am I quoting correctly when I make this statement, repeating you, that all the available funds for highway construction have been obligated on contracts or work orders?

MR. PURCELL: They will be obligated by June 30, 1947. That is in the next three months.

ASSEMBLYMAN JAMES: And that amounts to some $80,000,000?

MR. PURCELL: No, I stated we have let something like $80,000,000 worth of contracts.

ASSEMBLYMAN JAMES: You have let something around $80,000,000 worth of contracts?

MR. PURCELL: Yes.

ASSEMBLYMAN JAMES: Could you furnish this committee with a summary of those contracts summarizing the roads that they cover?

MR. PURCELL: Yes. I think we have furnished them here, haven't we?

ASSEMBLYMAN JAMES: Does that cover the contracted roads or just the roads on which you do not have funds available?

MR. PURCELL: Contracted roads. We have furnished that, Mr. Vickrey?

MR. VICKREY: Yes.

ASSEMBLYMAN JAMES: That is fine. I have just received it and I haven't had an opportunity to look it over. Do you have a plan of construction for these different highways, a priority of construction of the projects that are contemplated by your recommendations to the Collier Committee?

MR. PURCELL: On a 10-year or 1-year program? We budget the projects once a year now. That is, when we know how much money we are going to have, we budget it.

ASSEMBLYMAN JAMES: In other words, what I'm driving at is * * *

MR. PURCELL: Our budget of projects is available.

ASSEMBLYMAN JAMES: Could we have a copy of those, please?

MR. PURCELL: The projects in the budget—we have a list of the projects in the budgets. Mr. Vickrey, can that be furnished?

MR. VICKREY: We don't have it here this afternoon, but it can be furnished.

ASSEMBLYMAN JAMES: Will you furnish that to this committee?

MR. PURCELL: Yes.

ASSEMBLYMAN JAMES: Now, a further line of questioning. I note in January, 1947, your department recommended to the Collier Committee a certain plan of highway construction, costing one billion four hundred some odd million dollars. Included in this were certain freeways.

MR. PURCELL: That was the deficiencies. That is the deficiencies, that is what was furnished in 1946

ASSEMBLYMAN JAMES: In 1947, however, you furnished them * * *

MR. PURCELL: It was made in 1946.

ASSEMBLYMAN JAMES: That covered certain freeways, did it not?

MR. PURCELL: Yes.

ASSEMBLYMAN JAMES: Now, do you consider these freeways immediately critical in the California highway building program, or could not the freeways be postponed for a year or two years or five years?

MR. PURCELL: Well, your city problem is a very critical one in the urban areas.

ASSEMBLYMAN JAMES: You consider that critical as compared with merely essential or desirable. Could you designate the critical ones as compared with those that are not critical, but merely essential or desirable?

MR. PURCELL: The division could give you that.

ASSEMBLYMAN JAMES: Will you furnish us with that information?

MR. PURCELL: They will furnish you with that information. Have you that information, Mr. Vickrey?

MR. VICKREY: We have not put it under order of priority.

MR. PURCELL: It is not in order of priority, but the projects is what you asked for.

ASSEMBLYMAN JAMES: I for one, as a member of this committee, desire to know which of the projects are actually critical to our present traffic situation.

MR. PURCELL: They are critical projects, but there is no order of priority, is that correct?

MR. VICKREY: That is correct

ASSEMBLYMAN JAMES: Then, you designate them all critical and some not more necessary than others?

MR. PURCELL: The ones in the deficiency report are listed as critical.

ASSEMBLYMAN JAMES: Are there not some of those we could get along without at the present time?

MR. PURCELL: That is a detail from the budget officers in the Division of Highways.

ASSEMBLYMAN JAMES: I see I'm getting nowhere on that.

MR. PURCELL: Here's the gentleman here.

ASSEMBLYMAN JAMES: Will the gentleman answer that question, please?

MR. VICKREY: What was that question again?

ASSEMBLYMAN JAMES: The question is, are there not some of these so-called critical freeway projects that we can do without at the present time and still handle traffic?

MR. VICKREY: We have been doing without a lot of them for a good many years now.

ASSEMBLYMAN JAMES: That certainly doesn't answer my question. Mr. Purcell, at the time the Senate was debating this highway program, Senate No. 5, the week-end of February 3d, over the week-end of February 3d, there were some $214,000,000 in new projected freeways that were offered and inserted as amendments to Senate Bill No. 5. Did your department suggest these additional freeways be inserted in that bill?

MR. PURCELL: Our department did not suggest what goes in the bill. Those were suggested by those interested in them, and I think Mr. Montgomery can answer that. He is very familiar with it.

CHAIRMAN HOLLIBAUGH: Mr. Montgomery can wait. We will have him up here later. Let's finish with Mr. Purcell.

ASSEMBLYMAN JAMES: Your department did not recommend the addition of these new projects up to $214,000,000?

MR. PURCELL: Our department did not recommend them.

ASSEMBLYMAN JAMES: You did not recommend that?

MR. PURCELL: I did not recommend it.

ASSEMBLYMAN JAMES: You had nothing to do with it?

MR. PURCELL: I didn't recommend it, and I probably had nothing to do with it if I didn't recommend it. I think that is as complete as I can answer.

ASSEMBLYMAN JAMES: Did your department estimate the cost of those new freeways?

MR. PURCELL: Our department does what the Legislature or Senate ask. We try to give them the answer. No doubt, they did furnish any information they asked for.

ASSEMBLYMAN JAMES: I see. You recommended the cost of the Walnut Creek Freeway in Alameda County?

MR. PURCELL: I don't know. I made no recommendations, I have told you, and I think that ought to be enough. I haven't made any recommendations.

ASSEMBLYMAN JAMES: Mr. Montgomery will answer all those questions?

MR. PURCELL: Mr. Montgomery and Mr. Vickrey will answer any questions.

ASSEMBLYMAN JAMES: Well, here's another thing. Now, these additional freeways that were recommended by someone, this $214,000,000 in additional freeways that were recommended sometime over the week-end of February 3d and inserted as an amendment in the Senate Bill

No. 5, benefit principally the City of Los Angeles, or they pertain to freeways that vitally affect the Cities of Los Angeles, San Francisco and Alameda. Is it not your opinion that those cities derive the greatest benefit from those additional freeways, rather than the State as a whole?

MR. PURCELL: I think they derive a great benefit from them, but I think also every county we go through derives a benefit. It is a general state development.

ASSEMBLYMAN JAMES: Do you believe that the cities where they derive a great benefit, probably the greatest benefit from the use of certain freeways, shouldn't bear a portion of the cost of such freeways?

MR. PURCELL: They should bear no more expenditure on their part than the counties do on theirs. It is just the same thing. It is a highway development, and the Legislature has made these largely a part of our State Highway System.

ASSEMBLYMAN JAMES: We haven't made them a part of the State Highway System yet.

MR. PURCELL: Yes, we have many many of them that just * * *

ASSEMBLYMAN JAMES: And you also believe that counties should bear a portion of the cost?

MR. PURCELL: No, I said it is comparative. The cities, if the cities should, then the counties should. It is comparative in what their own officials decide to do.

ASSEMBLYMAN JAMES: Well, I think that is all. I'll ask Mr. Montgomery the rest of the questions.

CHAIRMAN HOLLIBAUGH: It is four-thirty. Do you want to hear more testimony?

ASSEMBLYMAN THOMAS: I suggest we adjourn until tomorrow at 2 o'clock.

CHAIRMAN HOLLIBAUGH: Before we hear that motion, I want to state this, that tomorrow afternoon we will hear the California Chamber of Commerce, the Los Angeles Chamber of Commerce and also five members of the Highway Commission. Mr. James, five members of the Highway Commission will be here tomorrow, and they might be able to answer some of those questions.

ASSEMBLYMAN JAMES: Mr. Montgomery, I believe, was going to answer some of the questions.

ASSEMBLYMAN THOMAS: They will be available any time.

ASSEMBLYMAN GEDDES: Mr. Chairman, I was yielding so that Mr. Purcell could go. He has been delayed and yet he referred part of the testimony here to Mr. Vickrey. It is a very short question, if we could have that before we adjourn, I would appreciate it, unless he is coming back tomorrow.

CHAIRMAN HOLLIBAUGH: Mr. Purcell won't be able to be here tomorrow, but if the committee wishes to hear these men tonight, it is all right with me.

ASSEMBLYMAN GEDDES: I would like to direct a question to Mr. Vickrey.

ASSEMBLYMAN ANDERSON: We have got a lot of questions we want to ask these fellows that we couldn't get answered awhile ago. We are going to be here quite a while. I think they all should be here at a later date.

CHAIRMAN HOLLIBAUGH: Do you have memorandums on the questions you want to ask? Could you do it tomorrow?

ASSEMBLYMAN THOMAS: I understood the chairman to say he intended to carry on a series of committee hearings all week on the subject matter, and therefore, I see no reason to meet every day four or five hours here on the same problem if you are going to have this committee meet all week.

CHAIRMAN HOLLIBAUGH: We have men who will appear here tomorrow, the next day and the following day.

ASSEMBLYMAN THOMAS: As far as the department personnel is concerned, I think they could be here at every meeting.

CHAIRMAN HOLLIBAUGH: That is right, and we would consider these men from out of town first.

ASSEMBLYMAN ROBERTSON: I second the motion.

CHAIRMAN HOLLIBAUGH: All in favor of recessing until tomorrow at two?

MEMBERS OF THE COMMITTEE: Aye.

CHAIRMAN HOLLIBAUGH: Contrary? (No response) It is so ordered.

(Thereupon the committee hearing recessed at 4.45 p.m.)

REPORTER'S CERTIFICATE

This is to certify that I, Alice Book, a stenotype reporter, was present at the time and place the foregoing proceedings were had and taken before Assemblyman Hollibaugh, Chairman of the Assembly Committee on Revenue and Taxation, in the Assembly Chambers of the State Capitol at Sacramento, California, on Tuesday, March 4, 1947, and that as such stenotype reporter did report the aforesaid proceedings on the stenotype machine, and afterwards caused the said stenotype notes to be reduced to longhand typewriting, and the foregoing proceedings beginning at the top of page 1 to and including line 22 of page 85 hereof constitutes a full, true, complete, and accurate transcription of the aforesaid proceedings.

Dated this tenth day of March, 1947.

ALICE BOOK, Reporter

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Messrs. Boyd and Blosser, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Robert Mushet of Blythe.

On request of Mr. Lester T. Davis, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Mrs. Hallie M. Tierney of Alturas.

On request of Mr. Thompson, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Mr. and Mrs. Bud Casella of San Jose; June Hamilton, and Tommy Casella of Morgan Hill.

On request of the Los Angeles Delegation, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Mike Donoghue of Los Angeles.

On request of the San Diego Delegation, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to J. Don Keller of San Diego.

ADJOURNMENT

At 11.06 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 10 a.m., Wednesday, March 12, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE

FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

TWENTY-SIXTH LEGISLATIVE DAY

FIFTY-NINTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO

Wednesday, March 12, 1947

The Assembly met at 10 a.m.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, McCollister, McMillan, Niehouse, Robertson, Rosenthal, Sherwin, Silliman, Stanley, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—72.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Reymond Renwald:

Grant, O Lord, We beseech Thee, that these prayers, offered before the eyes of Thy Majesty may obtain for us the grace of devotion and the reward of everlasting life and happiness through Our Lord Jesus Christ—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Loomis, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of legislative business elsewhere:

Mr. Price, on motion of Mr. Stanley.

The following member was granted leave of absence for the day, and desired to waive his per diem:

Mr. Maloney, on motion of Mr. Grant.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, March 11, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate on this day adopted:

Assembly Joint Resolution No. 1

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

Above resolution ordered to enrollment.

SENATE CHAMBER, SACRAMENTO, March 11, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate amended, and on this day passed, as amended

Assembly Joint Resolution No. 2

And respectfully requests your honorable body to concur in said amendments

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

Above resolution ordered to unfinished business file.

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following resolution was offered:

Assembly Joint Resolution No. 5: By Messrs. Lester T. Davis, Loomis, Lowrey, Cooke, Clarke, and Thurman—Relative to memorializing Congress to issue commemorative gold coins, or in the alternative, to authorize the manufacture from gold of souvenirs for California's Centennial celebrations.

Referred to Committee on Rules

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, March 11, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate on this day passed:

Senate Bill No. 5

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

FIRST READING AND REFERENCE OF SENATE BILLS

The following bill was read the first time:

Senate Bill No. 5—An act to provide for a System of Public Streets and Highways in this State and for the financial support thereof, including the levying of taxes therefor, and relating to vehicles thereon and for that purpose to repeal Article 2 of Chapter 2 of Division 1 and Sections 1028, 1029, 188, 190, 191, 203, 232, 1021, 1022, 1023, 1024, 1621, 1625.5, 1626, 1626.5, 1627, and 1628 of, to amend Sections 181, 189, 193, 194, 195, 300, and 1622 of, and to add Division 3, Article 2 of Chapter 2 of Division 1, and Sections 29, 74, 188, 188.2, and 188.4 to, the Streets and Highways Code, to repeal Sections 276.5, 779, 780, and 782, and 142, to amend Sections 276, 277, 370, 372, 381, and 781 of the Vehicle Code, and to repeal Part 4, comprising Sections 9601 to 10501, inclusive, of Division 2 and Sections 8353, 8353.5, 8354, 8355, 8356, 8357, and 8358 of, to amend Sections 7351, 8352, 8651, 9302, 9303, and 9304 of, and to add Part 4, comprising Sections 9601 to 10501, inclusive, to Division 2 of, and Section 8353 to, the Revenue and Taxation Code, and to amend Section 7 of Chapter 788 of the Statutes of 1937.

Motion for Committee of the Whole

Mr. Burns moved that the Assembly resolve itself into a Committee of the Whole for the purpose of considering Senate Bill No. 5, at this time.

Mr. Heisinger seconded the motion.

Point of Order

Mr. Doyle arose to the following point of order: That Senate Bill No 5 has not yet been referred to the Committee on Revenue and Taxation, as is the custom, and therefore the motion is not in order.

Ruling by Speaker

The Speaker ruled that, pursuant to the Permanent Standing Rules of the Assembly, the motion made by Mr. Burns is in order, and that Mr. Doyle's point of order is not well taken.

The question being on the motion by Mr. Burns that the Assembly resolve itself into a Committee of the Whole for the purpose of considering Senate Bill No. 5.

The roll was called, and the motion lost by the following vote:

AYES—Boyd, Burns, Butters, Collier, Lester T Davis, M Philip Davis, Dolwig, Fletcher, Grunsky, Heisinger, Hinton, Johnson, Kirkwood, Loomis, McCollister, Sherwin, Stewart, Thorp, Thurman, and Wollenberg—20

NOES—Allen, Anderson, Bennett, Berry, Blossel, Brady, Brown, Burke, Conrad, Cooke, Cramer, Crichton, Crowley, Debs, Dickey, Clayton A Dills, Doyle, Dunn, Erwin, Evans, Field, Gaffney, Gannon, Geddes, Grant, Hahn, Hawkins, Hollibaugh, Huyck, James, Kilpatrick, Knight, Lowrey, Luckel, Lyons, McMillan, Niehouse, Robertson, Silliman, Stanley, Thompson, Waters, Weber, and Mr. Speaker—44

Senate Bill No. 5 ordered referred to the Committee on Revenue and Taxation.

COMMUNICATIONS

By Speaker Collins:

A petition from Aaron M. Sargent of San Francisco, relative to a former request for a legislative investigation into subversive textbooks in the public schools of California, was received, and referred to the Committee on Governmental Efficiency and Economy

RESOLUTIONS

The following resolution was offered:

By Mr. Boyd:

House Resolution No. 28

Relative to extending congratulations and best wishes to Elizabeth Rodman Knight and John J. Delaney, Jr., upon the occasion of their recent wedding

WHEREAS, Elizabeth Rodman Knight, the attractive daughter of our distinguished colleague, T. Fenton Knight, has during her visits to the Legislature won the friendship and admiration of all who have met her; and

WHEREAS, John J. Delaney, Jr., Lieutenant Commander U.S.N.R. has demonstrated his good judgment and good fortune by winning Elizabeth Rodman Knight as his bride, following their courtship during the war, in the Hawaiian Islands where they were serving their Country; and

WHEREAS, This fine couple were married at 11 a.m., March 5, 1947, by the Right Reverend Noel Porter at Trinity Church in Sacramento, California; now, therefore, be it

Resolved by the Assembly of the State of California, That the Members of this Assembly extend to Commander and Mrs. Delaney their congratulations and best

wishes for a long life together with their full share of good health, happiness and useful service to humanity; and be it further

Resolved, That the Chief Clerk of the Assembly transmit a suitably prepared copy of this resolution to Commander and Mrs. Delaney.

Request for Unanimous Consent

Mr. Boyd asked for, and was granted, unanimous consent to take up House Resolution No. 28, at this time, without reference to committee or file.

Resolution read, and adopted unanimously.

UNFINISHED BUSINESS

CONSIDERATION OF SENATE AMENDMENTS

Assembly Joint Resolution No. 2—Relative to requesting the Interstate Commerce Commission to take action to equalize freight rates and eliminate discrimination therein.

The question being: Shall the Assembly concur in the following Senate amendments to Assembly Joint Resolution No. 2:

Amendment No. 1

On page 1, line 6, of the printed resolution, after "that", strike out the balance of line 6; and in line 7, strike out "rate increase of 17.6 percent, four of said", and insert "certain".

Amendment No. 2

On page 1, lines 8 and 9, of said measure, strike out "by 31 per-cent,".

Amendment No. 3

On page 1, line 18, of said measure, strike out all of said lines 18 to 27, inclusive.

Amendment No. 4

On page 2, line 9, of said measure, after "Commission", strike out the balance of line 9, and lines 10 to 15, inclusive, and insert "take such action in respect to freight rates on raw materials shipped from Utah to the Steel Plant owned by Kaiser Company, Inc., in Fontana, California, and on finished steel products shipped from Fontana to various western markets as will eliminate discrimination, if any there be, and that will insure fairness and equity between shippers; and be it further".

The roll was called, and the Assembly concurred in Senate amendments to Assembly Joint Resolution No. 2 by the following vote:

AYES—Allen, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Clarke, Collier, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Erwin, Field, Fletcher, Gaffney, Gannon, Grant, Grunsky, Hahn, Heisinger, Hinckley, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, McCollister, McMillan, Niehouse, Robertson, Sherwin, Silliman, Stanley, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, and Mr. Speaker—58.

NOES—None.

Assembly Joint Resolution No. 2 ordered enrolled.

CONSIDERATION OF DAILY FILE

THIRD READING OF ASSEMBLY BILLS

Assembly Bill No. 27—An act to amend Section 511.9 of the Vehicle Code, relating to speed of vehicles.

Bill read third time.

The roll was called, and the bill passed by the following vote:

AYES—Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Clarke, Collier, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills,

Dolwig, Doyle, Dunn, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Luckel, Lyons, McCollister, McMillan, Niehouse, Robertson, Sherwin, Silliman, Stanley, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, and Mr. Speaker—64

NOES—None.

Bill ordered transmitted to the Senate

Assembly Bill No. 28—An act to amend Section 90.1 of, and to add Sections 89.2 and 90.2 to, the Vehicle Code, relating to speed of vehicles.

Bill read third time.

The roll was called, and the bill passed by the following vote:

AYES—Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Clarke, Collier, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Luckel, Lyons, McCollister, McMillan, Niehouse, Robertson, Sherwin, Silliman, Stanley, Stewart, Thomas, Thompson, Thorp, Thurman, Waters and Mr. Speaker—64

NOES—None.

Bill ordered transmitted to the Senate

REQUEST FOR UNANIMOUS CONSENT

Mr. Dickey asked for, and was granted, unanimous consent to take up Assembly Bills Nos. 39 and 40, at this time.

CONSIDERATION OF ASSEMBLY BILLS NOS. 39 AND 40

Resolution to Suspend Constitutional Provision

The following resolution was offered:

By Mr. Dickey:

Resolved, That Assembly Bill No. 39 presents a case of urgency, as that term is used in Article IV, Section 15, of the Constitution, and the provision of that section requiring that the bill be read on three several days in each house is hereby dispensed with, and it is ordered that said bill be read the second and third times, considered engrossed, and placed upon its passage

Resolution read

The roll was called, and the resolution adopted by the following vote:

AYES—Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Clarke, Collier, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Luckel, Lyons, McCollister, McMillan, Niehouse, Robertson, Sherwin, Silliman, Stanley, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, and Mr. Speaker—64

NOES—None.

Article IV, Section 15, of the Constitution was declared suspended.

Consideration of Assembly Bill No. 39

Assembly Bill No. 39—An act making an appropriation for mileage of the members and officers of the Assembly, without regard to fiscal years, to take effect immediately.

Bill read second time.

Assembly Bill No. 39—An act making an appropriation for mileage of the members and officers of the Assembly, without regard to fiscal years, to take effect immediately.

Bill read third time.

The roll was called, and the bill passed by the following vote:

AYES—Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Clarke, Collier, Cooke, Cramer, Crichton, Crowley, Lester T Davis, M. Philip Davis, Debs, Dickey, Clayton A Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Luckel, Lyons, McCollister, McMillan, Niehouse, Robertson, Sherwin, Silliman, Stanley, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, and Mr Speaker—64.

NOES—None.

Bill ordered transmitted to the Senate.

Resolution to Suspend Constitutional Provision

The following resolution was offered:

By Mr. Dickey:

Resolved, That Assembly Bill No 40 presents a case of urgency, as that term is used in Article IV, Section 15, of the Constitution, and the provision of that section requiring that the bill be read on three several days in each house is hereby dispensed with, and it is ordered that said bill be read the second and third times, considered engrossed, and placed upon its passage.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Clarke, Collier, George D. Collins, Cooke, Cramer, Crichton, Lester T Davis, M. Philip Davis, Debs, Dickey, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, McCollister, McMillan, Niehouse, Robertson, Rosenthal, Sherwin, Silliman, Stanley, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Wollenberg, and Mr. Speaker—68.

NOES—None.

Article IV, Section 15, of the Constitution was declared suspended.

Consideration of Assembly Bill No. 40

Assembly Bill No. 40—An act making an appropriation for the contingent expenses of the Assembly, without regard to fiscal years, including committee expenses, to take effect immediately.

Bill read second time.

Assembly Bill No. 40—An act making an appropriation for the contingent expenses of the Assembly, without regard to fiscal years, including committee expenses, to take effect immediately.

Bill read third time.

The roll was called, and the bill passed by the following vote:

AYES—Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Clarke, Collier, George D. Collins, Cooke, Cramer, Crichton, Lester T. Davis, M. Philip Davis, Debs, Dickey, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant,

Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, McCollister, McMillan, Niehouse, Robertson, Rosenthal, Sherwin, Silliman, Stanley, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Wollenberg, and Mr. Speaker—68

NOES—None.

Bill ordered transmitted to the Senate.

SELECT COMMITTEE

Speaker Collins requested that the Select Committee on Escort, which he appointed yesterday, retire to the rear of the Assembly Chamber, and join with the Select Committee from the Senate in greeting distinguished guests, and to escort them to the rostrum.

RECESS

At 10.50 a.m., on motion of Mr. Allen, the Assembly recessed until 11.01 a.m., to hear remarks from the Hon. Louis V. Starr, of Portland, Oregon, the National Commander and Chief of the Veterans of Foreign Wars of the United States, and to welcome, on the rostrum, the following distinguished guests:

Charles Ash of Glendale, California Department Commander of Veterans of Foreign Wars;

Frank Gonsalves of Oakland, Senior Vice Commander of the Department of California Veterans of Foreign Wars;

M. C. "Sammy" Herman of San Francisco, Department Adjutant, and Quartermaster for the Veterans of Foreign Wars, State of California; and

Hon. Goodwin J. Knight, Lieutenant Governor of the State of California, Senator Slater, and Senator Dilworth.

REASSEMBLED

At 11 01 a.m , the Assembly reconvened.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

CONSIDERATION OF DAILY FILE (RESUMED)
THIRD READING OF SENATE BILLS (RESUMED)

Senate Joint Resolution No. 1—Relative to memorializing the Congress of the United States, in considering and acting upon the budget, to give due consideration to the need and necessity of a strong national defense, and adequate naval and military establishments.

Resolution read.

The roll was called, and the resolution adopted by the following vote.

AYES—Allen, Anderson, Beck, Bennett, Berry, Blosser, Brady, Brown, Burke, Butters, Caldecott, Clarke, Collier, George D. Collins, Cooke, Cramer, Crichton, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, McCollister, McMillan, Niehouse, Robertson, Rosenthal, Sherwin, Silliman, Stanley, Stewart, Thomas, Thompson, Thorp, Waters, Weber, Wollenberg, and Mr. Speaker—66.

NOES—None.

Resolution ordered transmitted to the Senate

REQUEST FOR UNANIMOUS CONSENT THAT OPINION BE PRINTED IN THE JOURNAL

Mr. Thomas asked for, and was granted, unanimous consent that the following opinion of the Legislative Counsel be ordered printed in the *Journal*:

Opinion of Legislative Counsel

OFFICE OF LEGISLATIVE COUNSEL
SACRAMENTO 2, CALIFORNIA, March 5, 1947

Duties and Responsibilities of Members of Assembly, after Adjournment, with reference to Private Employment—No. 749.

Hon. Vincent Thomas
Assembly Chamber

DEAR MR. THOMAS: You have requested my opinion as to the duties and responsibilities of Members of the Assembly, after final adjournment, with reference to private employment, including the questions whether or not a member may accept employment with a private corporation, do public relations work, and appear before boards and commissions of the State on behalf of clients and receive compensation for services rendered

In my opinion each of these three specific questions should be answered in the affirmative. Membership in the Legislature is no disqualification. In 1933 the Judiciary Committee of the Senate of California ruled in respect to a lawyer-legislator that "there is neither law, rule nor reason which prevents him from appearing before any tribunal, department or officer of this State in the practice of his profession." (Senate Journal 1933, p. 1547 at 1548.)

In the absence of express constitutional or statutory prohibition the question as to the conduct of a member is whether or not the particular activity under consideration is such as marks him unworthy to continue as a Member of the Assembly, a question concerning which the Assembly is the sole and final judge.

This stems from the power of the House to expel a member. (Const. Art. IV, Sec. 9.) This is an inherent power, mention of it in the Constitution being but a recognition of it. It is given "to enable the legislative body to protect itself against participation in its proceedings by persons whom it judges unworthy to be members thereof, and affects only the rights of such persons to act as members." (*French* v. *Senate*, 146 Cal. 604, 606, 610.) It is a power and a responsibility of the House "to preserve its own honor, purity, and efficiency, by the expulsion of an unworthy, or the discharge of an incompetent member." (*Ex Parte McCarthy*, 29 Cal. 395, 404.)

The power to expel includes the power to discharge or suspend a member. (*Cushing, Law and Practice of Legislative Bodies*, Secs. 625 and 626, pp. 250 and 251) and is exercised by each house of the Legislature, as to its members, independently of the other house and of either of the other branches of government. (*French* v. *Senate*, 146 Cal. 604.)

Membership in the Legislature is not in contemplation of law a full time occupation. Members of the Legislature are drawn from all walks of life. As stated by the court in *Leymel* v. *Johnson*, 105 Cal. App. 694 at 703, "In the Legislature we find members drawn from all callings and from the combined knowledge and experience of all, the people at large should hope for legislation resulting for the common good." This observation the court made when it ruled that the holding of a school teaching position was *not incompatible* with membership in the Assembly. The court in that case further said:

> "It may be admitted that from the nature of his profession he would have a considerable interest in those measures affecting education. He should have a knowledge and experience that should make his advice valuable on such matters. This is as it should be, for every legislator should possess some knowledge of certain activities of government. He cannot be familiar with them all. Legislators are, or should be, selected by the people because of a familiarity with governmental affairs and because they possess a knowledge of the needs and desires of their constituents and the state at large."

In such a situation the question of a conflict of interest normally arises when the Legislature is in session and a measure is up for consideration which so affects him personally as to present the issue of the propriety or impropriety of his voting upon that measure. In such a case the factors to consider and the procedure to follow are as stated in Section 323 of *Mason's Manual of Legislative Procedure*:

> "It is a general rule that no one can vote on a question in which he has a direct personal or pecuniary interest. The right of a member to represent his constituency, however, is of such major importance that a member should be barred from voting on matters of direct personal interest only in clear cases and when the matter is particularly personal. This rule is obviously not self-enforcing and unless the vote is challenged the member may vote as he chooses. A member may vote for himself for office or other position, as for a delegate or member of a

committee. A member may vote regarding a matter when other members are included with him in the motion, even though he has a personal or pecuniary interest in the result, as where charges are preferred against a group, or he may vote to increase salaries of all of the members.

"In a case involving the right of several members to seats, the members may vote in the case of other members but not in their own. When the matters under consideration affect a cause rather than individuals, the personal interest belongs to that cause and is not such as to disqualify a member from voting.

"Where the personal interest of a member in a question has been called to the attention of the body, even after the vote was taken, the vote has been disallowed.

"When charges have been preferred against a member and he has been ordered to appear for trial, he may not thereafter vote until the charges are disposed of.

"In Congress the rules provide that no member has a right to vote on any matter in which he is immediately or particularly interested, but the uniform practice is to permit each member to be the judge of his personal interest."

A member may be excused from voting, by majority vote of the members present. *(Assembly Standing Rule No. 94.)*

Returning to the main question, that of the private employment rights and privileges of a member, I find no express constitutional or statutory prohibitions that are of direct or immediate application. Such as we do have are principally of two kinds. One type restricts dual public office holding (Const., Art. IV, Secs. 19 and 20); the other deals with crimes against the legislative power (Const., Art. IV, Sec. 35; Penal Code, Secs. 85, 86, 88; Govt. Code, Secs. 9050 to 9055, and 9412). With neither of these are we here concerned.

There is the constitutional prohibition of the acceptance, by a member, of a free pass issued by a railroad or other transportation company (Art. XII, Sec. 19).

Then there are Sections 1090 to 1097, 1223 and 1224 of the Government Code, relating to public contracts or purchases made by state officers in their official capacity. Section 1090 reads as follows:

"Members of the Legislature, State, county, township and city officers shall not be interested in any contract made by them in their official capacity, or by any body or board of which they are members."

It is qualified by the provisions of Sections 1223 and 1224:

"1223. When traveling expenses are allowed by law to any state, county, township, or city officer, he may contract with the appropriate authorities for an allowance or mileage rate for the use of vehicles owned or rented and used by him in the performance of duty, in lieu of the usual transportation charges.

"1224. Any money paid by a state, county, township, or city officer for United States postage for use in conducting the official business of his office may be refunded to him by claim allowed in accordance with law."

The provisions of Section 1090 have in fact no immediate or direct application to a Member of the Legislature because he makes no contracts in his "official capacity" as a legislator. Only as a member of an interim legislative committee, or other state board or body, would he be participating, between sessions, in the making of any contract in an official capacity as a state officer.

I am aware of no other provisions of law that bear upon the subject of your inquiry.

Yours very sincerely,

FRED B. WOOD, Legislative Counsel

REQUEST FOR UNANIMOUS CONSENT TO USE ASSEMBLY CHAMBER FOR MEETING

Mr. Hollibaugh asked for, and was granted, unanimous consent that the Committee on Revenue and Taxation be permitted to use the Assembly Chamber this afternoon at 2 p.m., for the purpose of holding a meeting.

REQUEST RENEWED

Mr. Dunn, pursuant to a request for unanimous consent granted him on Monday, March 10th, renewed his request for, and was granted, unanimous consent that the Senate and Assembly Committees on Education be permitted to use the Assembly Chamber, tonight, at 8 p.m., for the purpose of holding a joint meeting.

ANNOUNCEMENT OF COMMITTEE MEETINGS

It was announced that the following committees would hold meetings:

At 2 p.m., today, in the Assembly Chamber—

Revenue and Taxation.

At 3 p.m., today, in Committee Room—

Governmental Efficiency and Economy.

At 8 p.m., tonight, in the Assembly Chamber—

Joint meeting, Senate and Assembly Committees on Education. (Assembly Bills Nos. 2120 and 2273 will be considered.)

At 2.30 p.m., instead of 8 p.m., tomorrow, Thursday, March 13th—

Conservation, Planning, and Public Works.

REQUEST FOR UNANIMOUS CONSENT THAT SECOND TRANSCRIPT RELATIVE TO STATE HIGHWAY SYSTEM BE ORDERED PRINTED IN JOURNAL

Mr. Hollibaugh asked for, and was granted, unanimous consent that the following second transcript, taken at a hearing before the Committee on Revenue and Taxation, on the California State Highway System, be ordered printed in the Journal, in 10 point type:

HEARING BEFORE THE COMMITTEE ON REVENUE AND TAXATION ON THE CALIFORNIA STATE HIGHWAY SYSTEM

Assembly Chamber, State Capitol
Sacramento, California, March 5, 1947

Wednesday, March 5, 1947, 2.15 p.m.

CHAIRMAN HOLLIBAUGH: The meeting will come to order, and I will proceed to call the roll for the meeting of the Assembly Revenue and Taxation Committee.

(Thereupon roll call was had.)

CHAIRMAN HOLLIBAUGH: I wish to advise the members of the committee up here that some are sitting up here, otherwise you can remain in your seats.

I wish to announce for the benefit of those who were not here yesterday that this is a continuation of a meeting of the Assembly Revenue and Taxation Committee for the consideration of Highway Bills in the Special Session. These bills consist of Assembly Bill No. 1, creating a Highway Users Fund; Assembly Bill No. 2, setting up the administration of this system; Assembly Bill No 6, for the gas tax; Assembly Bill No. 7, regarding fuel taxes; Assembly Bill No. 8, transportation and weight tax; Assembly Bill No. 12, motor vehicle fuel license tax.

Now, we are considering all of these bills at one time, and we are hearing testimony on all of the measures at one time to save time, because we feel—the committee feels that if we took them at once and ask the people who are interested to come here, then we can get it over with at once, but to have to ask them to come back in a couple of weeks would be unfair. We are hearing testimony on all of these bills at one time and after the hearings are completed we will consider them individually.

Today, the first gentleman who is to appear before us is Mr. Neil Petree from Los Angeles, and I will let Mr. Petree announce at the same time the organizations he represents, because I think that he is representing two or three. Now, Mr. Petree, will you take a microphone there, please? And will you announce the organizations that you are representing today?

MR. PETREE: Mr. Chairman, and Members of the Committee, and Ladies and Gentlemen.

First I think I shall introduce myself as President of Barker Brothers, a furniture business, and that I have no axe to grind in this other than I have a vital interest in the highways of this State.

I realize the tremendous job that this committee has and I know how much work lies before you. Therefore, I want to tell you how much I appreciate your asking me to testify before you and I am going to try to be as brief as possible.

I am appearing before you as a man of many hats, inasmuch as in various capacities I represent the Los Angeles Chamber of Commerce

as Director and Chairman of its Metropolitan Traffic and Transit Committee, the Automobile Club of Southern California as Vice President, the Downtown Business Men's Association as Chairman of the Board, and the State Chamber of Commerce as a director, and Vice Chairman of the State-wide Highway Committee.

All of these organizations favor an expanded highway program to be built as soon as possible in the State, and to include expressways both in the cities and in the rural areas.

They all favor increases in taxes to accomplish this expanded program. They all favor an equitable split of the tax load among various kinds of highway users, and they favor spending the money pretty much where it is raised.

Most of all, they favor making the best possible use of the taxpayers' money, as I am sure do all of you Assemblymen. Therefore, they do not favor all the features of the Senate Bill No. 5, which is coming out of the Senate, nor all the features of the legislation which this committee is now discussing.

We will try to amplify these general statements of policy here today and try to show you how we have come to certain conclusions.

First of all, what axe are we grinding in this highway problem? We think we are acting completely unselfishly. We don't stand to make any money out of highways. We have no desire except to put California, the greatest tourist state in the Union, at the top of the highway list. We are acting, not as business organizations, but as civic organizations. We only know that good highways mean good business, and will make our State and our own communities better places to live and work. We are therefore urging our people to support an expanded highway program.

How does it happen that we are all for this program now when some of us were against it before?

We were never against a highway program, as such, but many of our people a couple of years ago, asked questions about the financing and the need that then couldn't be answered satisfactorily.

Now those questions have been answered to the satisfaction of all of us by a fine interim committee of our Legislature. That committee, the Collier Committee, has worked tirelessly on its assignment. We feel that the Collier Committee deserves great praise for the business-like way in which it has done its job.

A couple of years ago, people said, "We don't know about this plan for super-highways. Where do they go? Who gets them?

Now we know exactly where they go. We know how many miles is proposed. We know what kind of expressways will be built. We know these things as a result of the Kennedy Report to the Collier Committee, a report made by G. Donald Kennedy, Vice President of the Automotive Safety Foundation. The interesting thing about this report is that, despite many kinds of opposition to the general idea of financing new highways in the State, no one has successfully attacked the Kennedy Report. Every one agrees that it is a fine report.

A couple of years ago people said, "We don't know how much these highways will cost We think new highways may be necessary, but let's be businesslike. What is the cost?"

Now we know exactly how much they will cost. Of course, I will admit this, "exactly" is only an estimate, but it is a figure that hasn't

been disproved. It is a figure that wasn't just plucked out of the air. Kennedy's engineers traveled the State, along with the Collier Committee. They surveyed the roads. They studied economic trends. They not only figured the cost per mile of new roads, but they factored this cost by an estimate of increased costs throughout the 10 year period during which the new system would be built. Their estimates of cost for current operations are running just about even with actual costs.

A couple of years ago, some people said, "We have enough money in the State Highway Fund to do the job without any new taxes."

We thought we'd like to try to answer that one ourselves. So the Major Highway Development Committee, a group composed of the State Chamber, the Los Angeles Chamber, the automobile clubs, the Western Oil and Gas Association, and the railroads, appointed a subcommittee whose sole purpose was to find out how much money could be expected from present taxes during the next 10 years.

This subcommittee was headed by James L. Beebe, whom you all know. He had working with him Alden Fensel of the California Taxpayers' Association, John Pierce of the Western Oil and Gas Association, Ed Moore of the California State Automobile Association, Rolland Vandegrift, Legislative Auditor, Ernest East of the Automobile Club of Southern California, and W. L. Connally of the State Chamber of Commerce, and I want to say that if you had to pick a committee now to answer that question, I don't think you could pick six better experts than those men.

This committee found that the total income for that 10-year period from 1946-56 would be a little more than $800,000,000. Now that gave us something to work on. As the reports of the Collier Committee became available we began to see what was needed in the way of revenues, and what we would get from present revenues, and therefore, what we might need in the way of additional revenues.

Now, despite this information, some of those opposed to the financing the building of new highways, say there is still plenty of money. They say the Highway Division has enough money now to keep going for a long time.

Interesting fact is that the Western Oil and Gas people, a month or so ago, advertised that, among other things, the State Highway Division had $140,000,000 as of July 1, 1946.

They used this as a balance on hand as of that date and then added estimates for the next four years income We have never had any argument with those figures, except that a good portion of that original $140,000,000 has been spent as the months go by

In fact, $89,000,000 of it represented state highway funds, and this sum, plus the money coming in during the Fiscal Year 1946-47 will either be spent or allocated by June 30th of this year, according to Mr. Purcell of the Department of Public Works. We have confidence in his figures.

The big mistake that we feel was made by the opposition to this program in their estimates of need, was the comparison of estimated revenues with an unaccelerated program. They found that revenues totaled $668,000,000, and that when they compared that with the unaccelerated program there would be a surplus of $35,000,000.

Now, we did what we thought was the right thing. We took the amount on hand, unexpended and unallocated, in the State Highway

Division as of December 31, 1946, the most up-to-date figure we could get. To this we added estimates of income from the next four fiscal years, from 1947-48 through 1950-51. The total income was $529,000,000.

Then we compared this income with the estimated expenditures of the Kennedy Report for the expanded, accelerated program, which, after all, is what we are all interested in. We found there would be a deficit of more than $253,000,000. That didn't look to us as if there was enough money on hand to do the job without new funds.

Meanwhile, we have been checking over contract schedules of the Highway Division because we wanted to be sure that the division wouldn't perhaps go on a spending spree just to get rid of the money, and thus present a better picture for asking for new funds. The latest contracts show an amazingly good record of expenditure on what the State Highway Division called its first critical deficiencies program. In fact, in Los Angeles County from February through June of this year, of a total of about $950,000,000 in contracts, only one, for traffic signals, amounting to $61,000 was not on the first critical deficiencies list.

We are confident that the State Highway Division is spending its current funds on projects of great need, and we believe Mr. Purcell when he says that all the surpluses in the State Highway Fund will be either spent or allocated for expenditure by the end of this Fiscal Year.

A couple of years ago, people said, "Well, even if you need the money and you know what should be built, you won't be able to spend the money when you do get it."

That was a reasonable statement, if true, so we tried to find out about it. We asked the State Highway Division. They told us that they wouldn't have any trouble properly spending additional funds and would still be able to let contracts with competitive bidding. In fact, Mr. R. M. Gillis, chief construction engineer of the division, told us that he had had five bids recently on a million-dollar contract and that new companies were constantly moving into the California highway construction picture, which would also tend to keep the market highly competitive.

However, we wanted to be doubly sure of this, so we asked the Associated General Contractors the same question. They told us that competitive bidding could be maintained with as much as $300,000,000 a year in contracts. That would be over $3,000,000,000 in 11 years and the proposed program is about $2,400,000,000 in 11 years, and this figure includes right-of-way costs.

Those are the basic reasons why we have supported an expanded highway and expressway program and why we feel that the program should be commenced now.

In our thinking, we have found one more difficulty to overcome. That was the evident desire on the part of those opposing a progressive plan to confuse the issue. When all other arguments seem to fail, they sought approval for other methods of financing.

They proposed bond issues. We thought we had a pretty good answer for that, when we said simply that bond issues cost too much. We in California discarded bond issues as long ago as 1928, when we went into highway-user taxes. And we are still paying for bonds floated in 1909 for highways that were worn out in 1920.

They proposed assessment districts. Assessment districts are not fair means of financing highways because expressways in particular do not improve property adjacent to the expressway, but improve only the property at either end. It is difficult to determine any basis for setting up a formula of assessment which is equitable as among all users.

They proposed toll roads. This appeared to be a pretty fair way of doing the job, because every time a user went onto a road, he paid something. Well, recently I was in New York City. I talked to Bob Moses in New York City, who has built the freeways that go into and around Manhattan. He told me they worked all right when you had a bridge or some natural barrier, but that they wouldn't work otherwise. Reports to the Collier Committee say that toll roads wouldn't work in California unless they were built over a water boundary, as in the Bay area, or through a mountain pass. I want to digress to say that in some places toll roads would be practicable, but as a method of financing an entire system, those of you who really study the plan will appreciate it isn't the best method.

The farmers have issued, recently, a brochure favoring toll roads, but I frankly can't see how they could be in favor of them. If there were a toll road from Los Angeles to San Francisco, the only fair thing to do would be to limit its access to those who paid to get onto it anywhere This would mean that a farmer who wanted to travel 25 miles—or 15 miles—to town would have to pay out of proportion each day toward the building and upkeep of the road.

Toll roads in any area where the traffic calls for an expressway would slow down traffic to the point where the expressway would be impractical. The recent Arroyo Seco, built just before the war, now holds 6,500 cars per hour at the peak. If these cars were held up for any appreciable length of time, the efficiency of the highway would be sharply reduced.

It was proposed that we rely more and more on federal aid. There are two reasons why we have opposed this. Federal aid necessarily implied payments made to the Federal Government in the form of taxes. The less federal aid, the less government tax. We have always paid more out in California in taxes than we have received back in the form of any federal aid. Therefore, we think it is bad state policy to rely on this type of aid. Secondly, the general philosophy upon which all of us have based our state politics is an insistence on local control of our local policies. We want to be as independent as possible of help; we want to be politically independent.

Now, let us talk about the proposed plan: In the Los Angeles Chamber of Commerce, we had been taking into consideration all these factors as we watched the Collier Committee come to basic conclusions in regard to highway financing.

We read the Lindman Report to the Collier Committee and approved it generally. We expected the Collier Committee to recommend a one and a half cent gas tax, and other diesel and truck taxes based on the Lindman Report.

When the bills were written, we were surprised to note the three-cent gas tax, the relatively higher diesel and truck taxes, and the registration and drivers' license fees.

We were further surprised when the State Highway Division reversed its long-standing 1945 critical deficiencies program and asked for double its original $695,000,000. We were further shocked when, within a few days, the division put out a new critical deficiencies program calling for an even greater amount.

We therefore decided to take a good look at all three critical deficiencies programs and compare them with the program outlined in the Kennedy Report. We found that all the first critical deficiencies program was included in the Kennedy Report. We found that the second report consisted of lateral additions to the first, many of them farther from congested areas, and we concluded that the first program was really representative of the immediate needs of the State.

We have felt, therefore, that we would be correct in assuming that what Kennedy said should be done was a good program. After all, the people of California paid $140,000 to have the Collier Committee report on the needs of the State. It doesn't seem good business to disregard that report, especially when the State Highway Division's first appraisal of our needs is the same as the Kennedy Report needs.

In determining our available revenues, we took the report of the Beebe Subcommittee, one I alluded to a moment ago. We compared it with estimates of income made by Lindman. They came within a small percent in an 11-year span. Therefore, we concluded that the Beebe Report was all right. And, after all, the Beebe Subcommittee had included John Pierce of the Western Oil and Gas Association in whom we have a great deal of confidence, a fact in which we take considerable comfort these days.

We tried to be realistic. We realized that we could no longer accept estimates based on a period, a part of which had already elapsed. So we compared costs of the first three years of the Kennedy program—the "unaccelerated" portion, with estimates of income for that period, and we included the balances in the State Highway Fund as of June 30, 1946. The surplus was about $18,000,000. We therefore assumed that from 1945 through July 1, 1948, the present income from all sources and the costs of the Kennedy program to that date would just about "wash out."

Then we compared costs of the next 11 years, which would bring us up to June 30, 1959, with estimated income for the same years. We found the deficit would be $782,000,000. In other words, we don't need a billion —we don't need nine hundred million, but we do need a lot of taxes and revenue to bring in enough extra to get us $782,000,000. That can be verified.

Therefore, we knew that we would have to have more money if we wanted new highways and expressways, and new country and city roads.

Our next question was: "Will proposed financing now before the Legislature bring in the needed money? Will it be too little or too much?"

I realize that I am talking to an Assembly Committee, and that you don't have legislation before you now, and when we talk about legislation that is before any group today, I must refer to Senate Bill No. 5, because that is the only legislation that is before us.

MR. RALPH DILLS: I think you should call his attention to the fact that we have the same bills before us in the Assembly. I don't want you to assume the Senate is the only body that needs a—

MR. PETREE: I'm sorry, yes, I know, but the bill came out of the Senate Transportation Committee—Senate Bill No. 5—and that is the bill that we have been studying and we haven't studied your own bills on it. I am sorry, Mr. Chairman, if I have led the committee to believe that we are not aware that they have legislation before them too.

CHAIRMAN HOLLIBAUGH: Our bills are the original bills. They have never been amended. We have never had a meeting on them before. Mr. Petree, go ahead.

MR. PETREE: We found that the five-cent gas tax, the seven and a half cent diesel fuel tax, ton-mile tax as in Schedule 2 in the Lindman Report, the six-dollar registration fee, and the four-fifty license fee, would bring in about $2,672,092,000. If Senate Bill No. 5 or some other bill here is passed, that is this amount of money that would be brought in over a period of time.

This $2,600,000,000, plus estimated receipts from local sources, was about $313,000,000 more than the needs as estimated in the Kennedy Report. This included all needs—State, county, and city—and very generous estimates of the increased needs of the Motor Vehicle Department.

I should say that the estimates of income were based on projections of the Beebe Subcommittee estimates, and that the needs of the Motor Vehicle Department were based on a projection of the new requirements in the Governor's 1947-48 budget, plus three times the estimated requirements for drivers' license administration in that budget.

Next, we were interested in whether proposed legislation meet the requirements of the counties, the cities, and the State. We found that the counties would get $115,000,000 more, and the cities $81,000,000 less than Kennedy had said they should get. Therefore, we concluded that these allocations should be changed.

Our next step was to determine what taxes would be necessary to meet the estimated deficit. We found that a four and a half cent gas tax, a six and three-fourths cents diesel fuel tax, a five dollar registration tax, and a dollar driver's license fee, would do the job, plus an increased truck tax.

We knew that Clark Sargeant, President of the Trucking Industry, Incorporated, had been quoted as saying that a 50 percent increase in truck taxes would be the absolute maximum that trucks could pay. We know that the truck tax is now about $12,000,000 a year including the 3 percent gross receipts tax which would be repealed if a new tax were added. A 50 percent increase in this tax during the next 11 years would result in total income of about $211,000,000, assuming an increase in registration based on Beebe Subcommittee estimates. This would be more than 60 percent of all collected in 11 years from trucks, $298,000,000, under the Lindman schedule.

We estimated that, since the new taxes would be imposed additionally on private carriers who constitute about 70 percent of the carriers, and, incidentally, all of their organizations believe they should be taxed,

a total tax suggested in Schedule 1 of the Lindman Report would certainly not result in more than an over-all 50 percent increase.

We therefore accepted the Lindman philosophy of equity and found that Schedule 1 would just about make up the needs according to the Kennedy Report, and would still be within the requirements of the Lindman Report, and of the trucking industry.

In this regard, I should also like to say that the Los Angeles Chamber of Commerce, the Automobile Club of Southern California, and the Downtown Business Men's Association have not necessarily approved the idea that this truck tax should be collected as a mileage tax. We have simply set up certain limits beyond which we do not think it is necessary to collect new taxes. We feel that the Legislature should and will consider the ability of the trucking industry to pay it's fair way and also will determine the fairest way to collect the tax.

We found that these reduced taxes would bring in only about $4,000,000 more for 11 years than is necessary, according to the needs of the Kennedy Report. We sincerely feel that it would be wise for the Legislature to approve the imposing of just the amount of tax needed to do the job, and not too large an amount.

There is no arguing the point that these estimates are subject to scrutiny and that includes the later cost estimates of the State Highway Division, as well as the estimates of revenue made by Mr. Zettel of the Collier Committee staff. We feel it is good governmental policy to impose a small tax rather than a larger one when there is any choice between estimates of need. It is a proper guarding of the public's funds.

In your further study of proposed legislation we have found, and this is very important, that there is no earmarking of funds for expressways. You all know that the very beginning of this study made by the Collier Committee was based on a desire for an urban-rural and metropolitan expressway system. That has been our basic need for California.

We therefore feel that it is highly important that a portion of the money spent for highways be spent on expressways and that that portion be indicated in the necessary legislation. Kennedy showed that all of the expenditures of the State Highway Division, about 50 percent were necessitated by planned expressways. We think, therefore, that this earmarking should be on the order of 50 percent of the other roads and streets that are part of the State Highway System.

We feel also that the money should be spent throughout the State pretty much in the same ratio that it is collected. And this ratio of collection is just about the ratio of need, since where there are more people, there are more cars, and where there are more cars, there is more use of the highways, more traffic and more congestion.

We submit that the money should be spent for construction and maintenance on the basis of registration, since that is the best method we know to indicate the need The southern counties now have 59.6 percent of the registration and we think therefore, that for long-term legislation, at least 60 percent of the money should be spent within those southern counties.

In summing up, I should like to make these points: It seems to us that the whole questions of financing the new highway system has been boiled down by the opposition to two main questions; (1) Is there enough

money now to do the job without new taxes, and (2) What is a burden for the trucks to carry in any new financing?

On the question of whether there is enough money, there is a matter of $89,000,000, which the opposition says should be counted as spendable, but the Highway Division and the Governor says it will be spent by the end of this year, or allocated and shouldn't be counted as money available. We agree that money can't be spent twice and that this money shouldn't be counted And I might say this in passing, that I think that is somewhat of a quibble anyway even though the $89,000,000 may not be spent or allocated as yet. We are talking about a program of one or two billion. The question of whether there is $89,000,000 over there that might be counted or might not is really rather inconsequential. However, we feel that the money is all allocated anyway

On the question of a fair share of the burden to be placed on trucks, our position is clear. We agree with the truckers that the burden should not exceed a 50 percent increase in present taxes.

With those questions out of the way, there are no further questions that really should be raised, since the opposition has clearly, on many occasions said, they wanted a new, expanded highway program. I hope they mean what they say.

The whole question of allocating the funds, once they are available boils down to where the need lies We think the best indication of need is automobile registration. If there is a better indication, we think this better method should be brought out The State Highway Division, which has been in the business for years, determines its critical deficiencies on the basis of traffic count, accident ratios, and existing facilities We all know that there is more traffic, more accidents, and therefore, less adequate facilities, in congested areas where the registration is highest

We would also like to see the expressways made a primary part of the new program. We would not like to see new funds spread throughout the State without due regard to the needs of the State for expressways in metropolitan areas of the State.

Therefore, we feel that it would be good policy to earmark a certain amount of the State Highway Fund for expenditure on the expressway system. We found that the Kennedy Report calls for the expenditure of 51 percent of all the state highway needs on the expressway system. Therefore we recommend that at least 50 percent of all the State Highway Fund each year be spent on the expressway system as outlined in the bills now before the Legislature.

Now, Mr. Chairman, I am sorry to have taken such a long time, but this is an important matter and should receive much attention I have not taken your time with the obvious references to safety and to savings in time, money, and accidents which will result from the immediate building of an expanded highway and freeway system.

I should just like to close my statement which is, after all, a statement representative of the organizations I just discussed, that we in Southern California are considering the good of the entire State. We feel that first and foremost, an adequate highway system, including expressways, must be built. It should be built immediately. There is not now enough money to do the job. Now, we feel that the schedule of taxes we propose will do the job adequately and make the best use of the taxpayers' money.

We cannot spend large amounts of money to prove the worth of this program to you. We are not going to deluge you with post cards, but we can and do tell you that, as businessmen and primarily as citizens, we feel that this new highway program should be actively supported and should be commenced immediately.

Now, Mr. Chairman and gentlemen, the State Chamber of Commerce asked me if I would also appear before you today and present a statement which they have prepared, and if you wish me to read it, I will. It gives some of the reasons they passed the resolutions they did. This one is called, "Recommendations to Modernize California Highways," and you gentlemen may want to read it also. I have it here in a folder, and in that folder you will find the resolutions of the various business and civic organizations that I have mentioned here today. The California State Chamber of Commerce statement is a very good statement, and I have deleted from it anything not up to date; however, I would like to have you see the paragraphs I haven't deleted. If you feel that you would rather have your committee ask questions now, and have me read later, I will.

Of course, I am representing these various business organizations, the Metropolitan Traffic and Transit Committee, the Los Angeles Chamber of Commerce, the Automobile Club of Southern California, and the Downtown Business Men's Association, and also the State Chamber of Commerce, and I have given you their feeling on these highway matters, and if I can't answer any questions that somebody might ask from the floor, Mr. Chairman, I can refer it to Mr. Warlow, or at least one of these alleged experts that are present today.

CHAIRMAN HOLLIBAUGH: Mr. Petree, please keep your report there, from the State Chamber, and members will probably wish to question you. You can refer to them as you need them then. We are open for questions now.

MR. RALPH DILLS: May I make a suggestion? I ask that Mr. Petree be requested to leave his matter with you tomorrow, or bring the material in so that the members of the committee may have it handy to read and discuss.

CHAIRMAN HOLLIBAUGH: Will that be all right, Mr. Petree, to leave this here with us?

MR. PETREE: Yes, yes, I can leave all of this here with you, I'm sorry I don't have more copies of it.

(Here follows the copy of the above discussed paper.)

RECOMMENDATIONS TO MODERNIZE CALIFORNIA HIGHWAYS

Foreword

The California State Chamber of Commerce has long been concerned with the apparent fact that California's automotive transportation facilities have been falling ever farther behind the state's rapidly increasing population and agricultural, industrial and commercial activities.

A thorough study of highway conditions was commenced in 1943. It was obvious then that highway congestion had reached a dangerously saturated point; that each automobile added to our overcrowded highways required additional facilities costing more than each new vehicle returned in tax revenues; and that corrective measures were needed.

In cooperation with the four other organizations then comprising the California Major Highway Development Committee, the State Chamber proposed to the 1945 Legislature an increase in the gasoline tax of 1½ cents per gallon for expenditure on a designated system of state highways carrying the bulk of motor traffic so that at least this portion of the State Highway System could be modernized. Counties not on the proposed new limited-access highway routes were to receive a pro-rata share of the new revenue.

The proposed legislation failed to pass, due largely to a belief in many quarters that further study was required. As a result, the Legislative Fact-finding Committee on Highways (Collier Committee) was created.

The Collier Committee has completed a comprehensive study. Its findings substantiate that our concern over California's highway deficiencies were well founded. A major highway system—expressways, should be built. Counties and cities require additional funds for critical deficiencies on the local road and street systems. Every month's delay compounds the problem.

Immediate legislation of an effective new program remedying the slow strangulation of California's automotive transportation is imperative. We urge your consideration of the following recommendations.

1. Accelerated Highway Development Necessary

Recommendation—"That the California Legislature effect at the present session an accelerated highway development program adequate to meet the state-wide rapidly increasing traffic requirements, and in view of its urgency, that such action program commence as soon as practicable."

Approximately $1,830,000,000 was spent on California highways, roads, and streets between 1929 and 1945 Despite this large expenditure, it became apparent as early as 1940 that grave deficiencies existed During the past 10 years 30,000 people have been killed and more than a half million injured on California roads and streets California fatalities for 1945 exceeded those for New York and Pennsylvania combined—the two most populous states in the Nation. In 1945, California's motor vehicle fatality rate of 15 3 per 100,000,000 vehicle miles was 33 percent above the national average

In addition, accidents and congestion are causing economic losses in the form of property damage, increased insurance costs, and time and manpower lost, at the rate of an estimated $200,000,000 annually. Any transportation system characterized by economic and human waste of such magnitude is deficient. It is obsolete from the standpoint of physical design and capacity

Critical deficiencies on the State Highway System are staggering Highway engineers report—"These deficiencies are principally inadequate lane capacity—insufficient room in which to operate. There are over 2,000 miles of state highways today that should be expanded to provide additional lanes for moving traffic On these congested roads—both outside of cities, and more particularly within cities and metropolitan areas—occur the majority of traffic accidents, and here also are developed the big losses in time and operating costs. The dollar value of this loss in time, property and life would pay for the best highway system in the world. It is actually costing the motor vehicle owners of California

more money to own and operate the present unsatisfactory system than it would cost to construct and operate facilities that would provide safe and efficient traffic service."

In addition the state highways, it is well known that county road and city street developments in California have been falling ever farther behind the needs of the state's constantly increasing automobile and truck registrations, population and commercial and agricultural activities.

* * * * *

2. Creation of Expressway System Urged

Recommendation—"That there be established by legislative action a state-wide system of urban-rural highways to be known as the California Expressway System to consist of urban-rural routes and an additional mileage of urban freeways within metropolitan districts, giving due consideration to population, motor vehicle registrations and traffic volume."

A substantial proportion of state highway improvements funds should be concentrated on those routes where greatest deficiencies exist. This policy would provide improvements where there is the greatest concentration of traffic, the largest number of accidents and consequently the greatest potential savings.

Engineering studies show that 75 percent of total motor vehicle traffic on state highways is concentrated on less than 25 percent of state highways—the major north-south and east-west lateral routes carrying the vast majority of motor vehicle traffic should be assured the most efficient administration and proper allocation of state revenues. This can be done through the establishment of a state-wide network of expressways.

3. Rapid Modernization Needed

Recommendation—"That the design and construction of these highways be of modern freeway standards which shall be progressively developed as rapidly as needs indicate and funds become available."

As rapidly as needs indicate and as funds become available, California's major highways should be modernized to the highest possible degree. Expressways are of at least four-lanes and are divided. They provide unimpeded express service between major population centers and for long distance travel. They include provision for distributing travel into, through and around large metropolitan areas. They eliminate serious congestion, the basic cause of accidents and loss of time, now occurring on California's main routes. Control of limited access might guard the investment in such highways against lateral encroachment of roadside vending, commercial activities and parking. The initial cost of modern freeway standards is high, but it is justified by the added benefits resulting to users and the community.

Accident records clearly demonstrate the value of these standards, during 1941 fatal and injury accidents were only 0.49 per million vehicle miles on the Arroyo Seco Parkway between Los Angeles and Pasadena while they were 4.44 per million vehicle miles on Figueroa Street, a comparable Los Angeles traffic artery without freeway features.

4. Long Range Administration Policies Required

Recommendation—"That responsibility for acquisition, construction and maintenance of the California Expressway System be vested in the State Highway Commission which shall be governed by the following principles:

a. Priority for development of the expressway system to be given present and potential motor vehicle transportation needs on the expressway system.

b. Initial construction of highways on the expressway system to contemplate their ultimate development to full freeway standards, requiring the acquisition of ample rights-of-way widths and necessary limited access rights to avoid the extraordinary expense of future acquisition or possible relocation of highways by reason of lateral encroachments."

"That it be the duty of the Highway Commission to allocate state highway funds available for construction of state highways in each county group in substantial amounts for construction of the expressway system and for construction of other state highways with due regard to traffic volume, improvements promoting public safety and the economic development of the State."

As state highway betterment cannot be accomplished faster than funds for that purpose become available, it is necessary to establish a firm policy of priorities as to where expressway and other highway development funds should first be spent. This should be determined by engineering considerations of present and potential requirements and not by inelastic formulas.

The California Highway Commission should be the agency for selecting for priority treatment those projects on which highway-users will derive the greatest benefit. The commission, likewise, should be responsible for seeing that California's investment in its highways are safeguarded from lateral encroachment by the early acquisition of adequate rights of way and limited access rights so that the much greater expense of future acquisition can be avoided.

The history of highway development in California discloses that many fine state highways have been constructed at great cost in anticipation that for many years they would serve the traffic volume for which they were designed. In this rapidly growing State, however, commercial enterprises common to a small community quickly spring up along these new highways. This virtual overnight development makes stop signals necessary at each intersection. Automobile parking on both sides of the highway, pedestrian crossings, and speed limits are other familiar results. Within a few years great state arterials thus virtually become city streets. Obviously, such lack of highway planning is extremely wasteful. Initial acquirement of limited access rights protects the highways for all times, guards the investment in such highways and conserves funds for more rapid development of other roads.

5. Other Highways Should Not Be Overlooked

Recommendation—"That concurrently with the development of an expressway system, adequate provision should be made by the State Division of Highways for remedying at the earliest possible time the critical deficiencies existing on the balance of the State Highway System"

Of the total critical deficiencies on the entire State Highway System, $513,420,000 or 30 percent, are on state highways other than the proposed expressway system. Since critical highway deficiencies on or off the expressway system are determined by such common denominators as accident frequency, insufficient lane-capacity, excessive grades, curves or other impediments to motor travel, correction of such deficiencies on routes off the expressways should be contemplated concurrently with development of the expressway system at a rate fairly proportionate to the total funds available to the State Highway Department for construction purposes.

6. Minimum Expenditure Requirements

Recommendation—"That an expanded highway, road and street development program in line with the above policies, amounting to $2,300,000,000 over an 11-year period, become effective as soon as new revenues can be made available"

No major program of highway improvement can succeed unless it is adequately planned with respect to both financing and engineering factors. This leads to questions concerning what size program can be justified and whether it can be financed

The Legislative Fact-finding Committee on Highways (Collier Committee) conducted extensive hearings with respect to state, county and city needs. Its findings were analyzed, pared down in many instances, and summarized in the Kennedy Engineering Report to the committee. The engineering study disclosed that recommendations presented at these hearings totaled the staggering amount of $3,746,719,000 Recognizing the practical difficulties of financing such a tremendous undertaking, estimates of needs were further scaled down into what was considered to be a bare minimum but attainable program for 10 years amounting to $2,820,000,000 to start in 1949-50.

As savings to motorists cannot be realized until the projects are completed it is desirable to accelerate the program as soon as possible in order that savings will start sooner and accumulate more rapidly. Hence, legislation now under consideration contemplates raising the required additional revenues beginning in the new fiscal year, and starting the accelerated program as soon as these funds become available rather than waiting two years.

This change in plans obviously necessitates a corresponding adjustment in financial requirements. This is due to the fact that a portion of the program budgeted and planned as normal highway operations (1945-49) will have been accomplished and the costs thereof should be eliminated from the over-all requirements, and also, some revenues presently accruing from existing sources would be on hand to apply to the accelerated program Necessary adjustments on this basis indicate a conservative minimum need, including operation of the State Motor

Vehicle Department, of $2,300,000,000 instead of $2,820,000,000 in state-collected funds for an 11-year period, as follows:

	Indicated requirements	*Less local* tax sources*	*Indicated need for state funds*
State	$1,384,500,000		$1,384,500,000
Counties	572,000,000	$110,000,000	462,000,000
Cities	438,000,000	133,000,000	305,000,000
	$2,394,500,000	$243,000,000	$2,151,500,000
Add estimated cost of operating Motor Vehicle Department			148,500,000
Total 11-year minimum requirement for state funds			$2,300,000,000

* Based on estimates contained in Lindman Report to Collier Committee (page 37).

Testifying as to the need for additional highway funds, Mr. C. H. Purcell, State Director of Public Works, stated before the Senate Committee on Transportation that after the annual budget of the Division of Highways for the next fiscal year ending June 30, 1947, has been put underway, there will still remain $40,000,000 of projects approved by the commission which will not be financed due to exhaustion of funds. These projects are all of a critical nature. They all represent necessary improvements on portions of the State Highway System that should be done now —not in some years hence.

A fully comprehensive, long-term motor transport financing program must include provisions for county road and city street developments.

Lack of funds has deferred local road and street betterments to a critical extent. Constant road and street maintenance to preserve the user's investment and necessary improvements designed to reduce automobile and truck operating expenses and the cost of hauling farm products to markets, as well as providing necessary facilities for transporting natural resources to processing centers, is a state-wide objective. There is conclusive evidence that existing sources of road and street revenues, including local taxation which has reached maximum limits, fall far short of the minimum required by California's counties and cities.

7. Proposed New Revenue Sources

Recommendation—"That since revenues from existing sources under existing rates which can be available for this program are estimated at $1,343,000,000 over an 11-year period, leaving a deficiency of $957,000,000, which must be raised by new revenues, the State Chamber favors raising these required new revenues by the following tax schedule."

1. An increase of 1½ cents in the gasoline tax, bringing the state gasoline tax to 4½ cents per gallon.
2. An increase of 3¾ cents in the diesel fuel tax, bringing that tax to a total of 6¾ cents per gallon.
3. A revision of the existing system of truck taxation to include a ton-mile tax.
4. An increase of $3 in the registration fee, bringing that fee to a total of $6 per year.

The following table shows the estimated yield from the proposed new taxes which together with the estimated yield from the existing

taxes, indicates the total revenues anticipated to be available for highway, road and street purposes for an 11-year period from July 1, 1947, to June 30, 1958, under the above recommended schedule:

ESTIMATE YIELD EXISTING AND PROPOSED NEW REVENUES FOR HIGHWAY, ROAD AND STREET PURPOSES, JULY 1, 1947, TO JUNE 30, 1958

Tax source	*State collected existing revenues*	*Proposed new revenues*	*State collected proposed total revenues*
Gasoline Tax	$1,062,043,000	$532,600,000	$1,594,643,000
Diesel Fuel Tax	28,744,000	35,968,000	64,712,000
Registration Fees	170,866,000	160,188,000	331,054,000
Truck Taxes	81,347,000	217,244,000	298,591,000
Truck Gross-Receipts Tax**	93,800,000	To be repealed	
Subtotals	$1,343,000,000	$946,000,000	$2,289,000,000
Add Miscellaneous Income***			11,000,000
Total Available for Highways, Roads, Streets & Motor Vehicle Dept			$2,300,000,000

**Truck gross receipts tax which is proposed to be repealed, presently goes to General Fund and is not in total as it is not available for highways

***Does not include Federal Aid

In developing these revenue recommendations, every conceivable method of raising funds for highway purposes was considered, including the commonly known motor fuels taxes, registration and weight fees and ton-mile tax, gross receipts taxes, property taxes, general fund appropriations, and federal aid. Studies were also conducted in regard to the many phases of bond financing, franchise taxes, special district financing and taxes, and road tolls. The "pay-as-you-go" method of financing was generally concluded as most desirable and economic.

It was found that the most dependable and substantial source of new highway funds is increased highway user charges. The fact that these types of taxes and their administration are long established and have gained widespread acceptance, also indicates that they offer the most important and practical source of additional highway revenue. Furthermore, this is consistent with the principle, that motor vehicles users should be assessed for highway cost on the basis of use made of the highways.

Gasoline taxes—at least insofar as passenger vehicles are concerned—are the fairest and most reasonable measures of highway use.

Diesel-powered motor vehicles obtain greater mileage per gallon of diesel fuel than gasoline-powered motor vehicles obtain per gallon of gasoline. To equalize the tax burden between these two types of highway users, the diesel fuel tax rate should exceed the gasoline tax rate in a sufficient amount to compensate for the difference in operating efficiency of the two motor vehicle fuels.

Registration fees are recognized as necessary and desirable. They serve as a contribution of the motor vehicle owners to the capital costs of the highway system, and as a standby charge imposed regardless of the extent of highway use. Only one other state has a lower registration fee than California, two states in addition to California impose a $3 tax, and all others appear to have relatively higher registration fees

An equitable distribution of additional highway taxes between classes of motor vehicles, that is, between passenger cars and private and commercial heavy trucks, requires that heavy trucks pay a larger and more proportionate share of highway costs than in the past. Ton-miles are determined by the average gross weight of the truck and its load times its mileage A reasonable and fair method of gauging the use of the highways by heavy trucks is thereby obtained. It is important to note that the major legislative proposal now pending does not contemplate a ton-mile tax on trucks of less than 14,000 pounds Experts testified before legislative committees that this would eliminate from ton-miles tax 95 percent of farm trucks in operation today

The above recommended program is entirely reasonable compared with both conditions in this State and in other states Currently, California ranks thirty-first in average registration taxes (even with the "in lieu" tax included), forty-fifth in motor fuels taxes, and forty-sixth in the weighted average for both taxes. The tax rate on trucks is below the national average. Obviously, an inadequate highway user tax program is largely responsible for California's present highway deficiencies.

The average California motorist now pays $20 per year in gasoline taxes, and $3 per year for registration fee Under the new tax program the average motorist will pay $30 per year gasoline taxes and a registration fee of $6, or a total of $36. In other words, Mr. Average Motorist will pay $13 per year for 11 years in additional highway taxes. This is a small additional charge for the increased mobility, convenience and safety provided by adequate highway facilities contemplated in this program

8. Time Limit on Tax Increase

Recommendation—That these items of revenue are interrelated and each maximum recommended presumes the stipulated maximums on each of the other sources noted; and that there should be a time limit on the increased revenues over existing rates to coincide with the time required to construct the projects contemplated in this program, and in no event beyond June 30, 1959

An increase in one tax and no increase in another would not only fail to produce the required highway and road betterment revenues, but would destroy the proposed balance between classes of highway users, which has been determined after many months of careful study.

It is desirable that the revenue features of the new program be terminated at the end of this proposed construction period. Further continuance of increased tax rates would then require action by the Legislature in the light of then current conditions.

There is some other material here also, Mr. Chairman, that may be of interest to the members of the committee, and now, I hope I don't bore you gentlemen, you have all been very kind. Now, I will throw myself open for any questions from you members.

CHAIRMAN HOLLIBAUGH: Mr. Thomas.

MR. V. THOMAS: May I ask Mr. Petree some questions?

CHAIRMAN HOLLIBAUGH: Yes, yes, go right ahead, Mr. Thomas.

MR. V. THOMAS: Didn't I understand you to say that the trucking industry has agreed that they would stand a 50 percent increase in the gas tax?

MR. PETREE: Let me say that I got that information from a talk made in Santa Barbara by Mr. Clark that the trucking industry could not stand an increase of more than 50 percent. We took that as the minimum when we figured out these possible sources of revenue, taking that as a basis. In other words, we just figure that 50 percent as a minimum.

MR. THOMAS: The second question, assuming the motorist goes into a gas taxation under this tax plan, how much is he willing to pay; would he pay three cents, or one cent, or seven cents, or five cents?

MR PETREE: I don't know, I haven't thought of it that way. You are breaking it down. I have just taken the general outline of it.

MR. THOMAS: Well, this raise in tax, whatever it is, who will be paying it? The public will, isn't that true?

MR. PETREE: The public does.

MR. THOMAS: That is what I think too.

MR. PETREE: The public pays the bill, the oil companies do not.

MR. THOMAS: The other question is: How long do you think the price or cost level will remain? Do you think we should build highways now at the present level of costs?

MR PETREE: My own personal opinion is that costs are going to go down and Mr. Kennedy based costs and future costs in working out the formula of what a given highway would cost at the present time. Now, I have not heard any criticism of that formula by any engineer in the State of California. I have, in fact, asked several of the men about it

MR. THOMAS: The highway program is based on a 10-year plan?

MR. PETREE: That is correct.

MR. THOMAS: Now, the question we have been interested in yesterday, do you think—you just stated—there will be a drop in the cost?

MR. PETREE: I do, sir, yes.

MR. THOMAS: You think it is wise to begin a long range program at the present time with these high costs, and enter into contracts for this work?

MR. PETREE: Well, I would say that at the present cost level, that they should contract for only such work that they could complete in a reasonable period of time. As to a program now, I don't think it should be fully determined right now. One of the things that the business organizations were opposed to two years ago was the fact that there was no limitation at all. It was a problem of raising the taxes indefinitely. On the other hand, we do appreciate this fact, we do appreciate that this has to be a state-wide project and you can't do that on a year-to-year basis, and therefore, we feel that the program should be a program offering some reasonable length of time. Now, that reasonable length of time may be 8 years, it may reasonably be 10, it may be 12, or 11. We are not particular about that, but we said 11 years just as something to work on.

MR. THOMAS: Have your organizations any objections to having a 10-year program, but appropriating the money every time the Legislature meets, to spend the money that is necessary on the program?

MR. PETREE: We have discussed it. I don't want to speak for the State Chamber of Commerce, but we have had some discussion in the Los Angeles Chamber of Commerce, and the chamber did think that matter was up to the Legislature, and we don't want to see the Highway Division interfered with to a great extent. We think they do a good job.

On the other hand, we think that as to whether this should be a legislative budget act year by year or not, I do not think that is the business-like way to do it. We don't think there should be so many allocations; two allocations should be enough. I rather question the idea of each year having the Legislature budget the money. I do think that the State Highway Commission should be allowed as much leeway on this as will be commensurate with the efficient expenditure of these funds. Is that a fair answer to your question?

MR. THOMAS: Yes, thank you, Mr. Petree.

CHAIRMAN HOLLIBAUGH: Mr. Evans.

MR. J. W. EVANS: I would like to ask you a few questions myself. First, that I would like to ask you: Outside of the organizations that you are representing today, what is your official position in your business life?

MR. PETREE: I am president of the Barker Brothers in Los Angeles.

MR. EVANS: That is right, and I think I know you and you know me, is that right?

MR. PETREE: That's right.

MR. EVANS: Now, can I ask you another question? Isn't it a fact that when I handled the first freeway bill out here, and that was in 1939, it was submitted to me by the then supervisor, and now Congressman, Gordon MacDonald. In the 1945 session of the Legislature, I mean, we passed the bill in this house, the freeway bill in 1939, and it died in the Senate, but in the 1945 session of the Legislature, we had another freeway proposal put up here, and at that time the business interests in Los Angeles had in all the local newspapers—and I have copies, because I think as one Assemblyman in this house. I think I pioneered the fight on freeways, and at that time your organizations in Los Angeles, the Downtown Business Men's Association and the department stores in general, they advertised in all the local newspapers, the downtown papers, and they stated, "write your Assemblyman, your Senator, to vote 'yes' on the freeway propositions." And I would like to submit here a few advertisements appearing at that time in the papers:

"No idle dream," says the Los Angeles Times on March 21, 1945, "No idle dream, but if you act now, write to your Senator and Assemblyman to vote 'yes' on the freeway bill. Don't leave it to someone else," signed Barker Bros., Broadway Department Store, Brooks, Bullocks, Desmonds, Dixie Sports Shops, Eastern Columbia Outfitting Company—and incidentally, my mother works for them; I know them very well—Famous Department Stores, Foreman and Clark, the May Company, J. W. Robinsons, and Silvermans. Phone Tucker 4103 for the name of your Assemblyman and your Senator. In all fairness to Barker Brothers, I might state that inasmuch as you are with that company, that Bullocks even went so far as to attempt to lobby, and as far as that is concerned, Bullocks put a big ad in the paper and they say in it: "Idle dreams, did you act in the lobby for the freeways bill?" but they advertise lamps and a few other things, but in order to cross it off as advertising, your own concern had a very, very small line printed right down at the bottom of their advertisement: "For your own good and the good of your children, write now to your Assemblyman and Senator to vote 'yes' on the freeway bill now pending."

We have still another one of these 'famous' notes, by the Famous Department stores, but I don't want to give them too much. Bullocks: "Are you appalled by the high traffic toll on the highways? Write now, write to your State Assemblyman and Senator to vote 'yes' on the freeway bill now pending."

Now, Mr. Petree, I want to ask you: Do you plan to advertise this time and inform the Assemblymen to vote 'yes' on the freeway program, and do you propose to have ads put in the papers to advocate the passage of the $2,800,000,000 program at this session of the Legislature?

MR. PETREE: Well, Assemblyman Evans, in answer to that, I am interested in everything that is for the betterment of California, whether it be freeways or what, from the day I arrived in Los Angeles in February of 1938—and of course, especially in Southern California—but as regards this advertising, most people were sound asleep on that question, and that even included many of the people in this room. I had come from New York and moved out here, and I was interested very much in this bill when it came before the Legislature the last time. I was all in favor of a two-cent gas tax. I wish they had passed it, and then we would not have to go through this now, if they had only started out at that time. However, that is water over the dam now. I was very glad to have our store participate in that development down there. I don't believe that it is wrong in any way whatsoever; that is, fair and reasonable radio announcements or any other way to educate the people in the State of California that you don't need to pay any more taxes. I am willing to personally pay any fair share, and I am willing to see Barker Brothers pay its fair share, because I think it is a good thing, but I don't think we can tell the Legislature, nor can anyone else tell the Legislature just what they shall do It is up to the Legislature to determine what shall be done. We were trying to educate the people. Now, I don't want to make a long speech in answering your question. It's already long, I realize that; I believe, as I stated a few moments ago, I believe every attempt should be made to distribute the cost equitably over several different types of highway users. Does that answer you all right?

MR. EVANS: Yes, I might ask you one more question: Do you think those ads appearing in the metropolitan papers in Los Angeles, do you think that the groups have put them in—I named all the department stores—do you think that was put in there to intimidate the legislators?

MR. PETREE: Well, I, at least, don't speak in behalf of all of our staff, but I believe that the people of Southern California will believe that our work has been helpful, and I think they have a right to know something about what is going on, and know what are behind these things. It is easy to say, "Are you in favor of it, or not," so we know that those of us who want to do something, as I have, in the State, are liable to wind up behind the eight-ball, and advertising is one way. The newspaper support was given to the program and we were willing to take our own space instead of advertising merchandise. As to intimidating the legislators, I don't know that I would say that.

MR. EVANS: No, I don't think I should either. By the same token, I believe you will concede to me the people who were up here and who were advertising to defeat a gas tax, and they are not advertising the defeat a freeway program, which I am for myself. I think that it can come out of the General Fund, and I don't think it will hurt them a

terrific amount. I think those people have a right to advertise to vote against.

MR. PETREE: I didn't say that.

MR. EVANS: You didn't?

MR. PETREE: No, I didn't say they didn't.

MR. EVANS: Well, I think that your people better do some advertising, because from the amount of all the telegrams, cards, and everything which have been sent our Senators in Los Angeles County, urging a 'no' vote on this proposal.

MR. PETREE: Well, just a week ago I asked for a meeting with all the publishers, their editors, and the writers in each paper on this subject in Los Angeles, practically all were there. I told them I didn't want them to take sides until they believed this was the situation, and if they believed it was the thing, even for the very reason you are talking about, so that you men up here would have to pass on this, would have the support of your constituents, and I pointed out the fact at that time that the opponents were endeavoring to get the support of the opposite side.

MR. EVANS: That is right, and you proposed to do the same thing?

MR. PETREE: I suppose so.

MR. EVANS: That is right, and they have a right to do so, and so do you.

MR. PETREE: That is correct.

MR. A. W. ROBERTSON: I want to congratulate you on the way you have handled this subject matter, and just one question that has troubled me which you did not take up in your report, and I think you would be probably representing, as you do, the larger interests in Los Angeles and Southern California, you would particularly have an answer to this question; that is, on the present building of these roads.

In other words, Mr. Petree, as I understand it, the department is already permitting the building, at the present cost level, $171,000,000. Now, considering the cost of steel, cement, wood, machinery, and labor that goes into this cost at the highest peak in the history of California, and considering the cost of obtaining freeways, that is, the land, is not only at the highest peak in the history of California, but in many instances four or five, and even, according to a report of the State, seven and a half times as much, do you believe it is good business, and do you, as good businessmen, would you, in your own businesses, proceed immediately if you had the surplus, to spend all this money, thus taking it away from legitimate industry—we can't even get steel to make automobiles; I know in my own case I waited 11 months to get a little steel for a subdivision for a water line—to take it away from legitimate industry, let the State use its priorities and take this material from industry at the peak of all business and build and construct these roads at these times when you could just as well wait two or three years, when we know that you could build four miles for the present cost of one?

MR PETREE: Assemblyman Robertson, I think that is a very fair question, and one which we have considered a good deal. I can only answer by saying that there are times when you don't want to do something, and yet you are forced to. My feeling about the highways in California is this—that we have been so deficient over a long period of time, that we have created these critical deficiencies, including the freeways, that is only one of them, and that something must be done about it

just as quickly as we possibly can. We have to get started on it, even though we know that it is expensive. Now, it is a 10-year program, and to be sure, we will have to pay more now and during the next two years than we will later in the 10 years, so some people think we should wait, but let's assume that the Kennedy Engineering Report is right in its formula, that the highway won't cost us later what it would just prior to the war; if that is correct, and I believe it is, I think we cannot afford to delay, because any belief that the situation is so critical—I think not only is it critical in the big cities, but is critical everywhere—every one of you know it is critical in the City of Los Angeles, if you have tried to drive in it downtown, or through it, know what a terrible problem it is now.

Now, as a businessman, you mentioned building. Now it so happens that we have wanted to do some building, and could not do it because we couldn't get governmental approval. It just happens that the May Company is building a big addition to their plant. Even at the high cost now, they feel that the need is so great that they can afford to do it now. It may not be a good analogy, but you raised it so I just followed it.

MR. ROBERTSON: Don't you think that the spending of these vast sums right now will have a tendency to increase the inflation rather than decrease it?

MR. PETREE: Well, of course, I have always felt, and others have also, that highway building conflicted very little with other types of building. I have been told that it is one of the types of building that conflicted the least with, say, the building of houses, and of other buildings I am not a contractor, but that is the way I feel.

MR. ROBERTSON: Concrete and steel are used in highway building, aren't they, and they are difficult to get?

MR. PETREE: It isn't as difficult to get concrete and steel for highways as it is for other types of buildings. I believe they are of a different type.

MR. ROBERTSON: Well, don't you feel, Mr Petree, that it might be well if we proceed along the program as we have in the past—we have appropriated hundreds of millions of dollars for our institutions and for your schools of learning which are held in abeyance now, to be constructed at such time as it will help us to secure employees and help the material men at a time when they need it, rather than construct them now?

MR. PETREE: Well, we feel the highway situation is so critical and must be solved as soon as possible and in 10 years there will still be highway work to do I really think that is the situation. I think it is a shame we did not start several years ago, and the sooner we start the better, and I think that the system that is now laid out is a good one, and you can't do it piecemeal Of course, you can't build all of it at once, but you have to have a system. Now, you heard the Collier Committee report and the engineering report. I say, let's get busy on it.

CHAIRMAN HOLLIBAUGH: Mr. Doyle.

MR. T. J. DOYLE: Supplementing Mr. Evans' report on this advertising; of course, I would like to state first that I was in on this transportation act in 1939. Mr. Davis can tell you that—but do you see anything wrong with this method they have now of giving the Legislature their opinions as to this project or not?

MR. PETREE: On the face of it, no, but these cards—I think the Western Oil and Gas Association has construed the sentences to suit the answer they want to get. When you get an answer back—if you send anybody a card that, "Do you want your taxes raised," you ought to know in advance they are going to get but one answer. That is just what they are going to do.

MR. DOYLE: But they have three different boxes, "Do you want it raised," "Do you not want it raised," and then they want to know how this money is going to be spent. Do you consider that unfair?

MR. PETREE: I have had a good deal to do with a good deal of that in the way of surveys, and the one thing we have to be very careful of is to word the questions in such a manner that the answers, when they come back, will be impartial answers. Any Gallup poll man will tell you that. He can get back answers any way you want it. Those questions can be designed that way.

MR. DOYLE: You think these are legislative questions?

MR. PETREE: Definitely.

MR. DOYLE: I don't think that is a difference of opinion, however, now, you mentioned the Western Oil Company—are you sure they are the ones that put them out?

MR. PETREE: Perhaps I should ask that to be deleted. I understood they did but I am not sure of it. I would like to say, if I could, that I am not trying to be critical of them. They are good friends of mine, and I merely want to see the system built, and they do too—all the organizations I represent want to see it built, and we apparently just have a difference of opinion in the method of financing, that is all. We all want the system built. Of course, there are lots of people, but knowing that, that is a swell stall. Now, we have had stalls for two years so that a committee could make a report. I don't want to see it stalled any more.

CHAIRMAN HOLLIBAUGH: Assemblyman Ralph C. Dills.

MR. RALPH C. DILLS: Mr. Petree, on or about April 19, 1946, did you take part in a radio address called "The Pulse of the City," in behalf of the Los Angeles Chamber of Commerce?

MR. PETREE: I did. I surely didn't think the words would come back at you.

MR. RALPH C. DILLS: At that time, may I ask you if I am reading correctly what you stated, if your memory is serving you correctly, and then I will let you examine this, if you care to, Mr. Petree. This one—well, perhaps I had better set the stage a little

For this I am going to mention the three main points. First, let me explain the impact of this extra penny. At that time, the Chamber of Commerce was asking for a one-cent gasoline tax. I know that there is a difference now—that now it is one and half cents—

MR. PETREE: I would like to correct it at this particular moment—that until three weeks ago, the Los Angeles Chamber of Commerce had never gone on record endorsing a highway program. Two years ago it was opposed to the program for a two-cent tax, or any other tax. Just since this study has been made that I read to you, the Los Angeles Chamber of Commerce was for it.

MR. RALPH DILLS: Well, this report to the people, called the "Pulse of the Nation," in which the Los Angeles Chamber of Commerce gave the pulse beat—

MR. PETREE: I don't recall the exact one. I have given frequent talks on the radio in Los Angeles on the highway measures, but it is right, as I recall at this particular moment, that all of us, including the Los Angeles Chamber of Commerce, were not in favor of any single tax of any kind, until in the last three weeks when it is definitely on record for one and one-half cents.

MR. RALPH DILLS: Am I correct then when I point to page 13 of this transcript; the announcer says: "The Los Angeles Chamber of Commerce has presented a transcribed commentary on the proposed new master plan for parkways, featuring the voice of Neil Petree and Ted Griffith"?

Now, I don't understand English if you weren't then representing or speaking for the Los Angeles Chamber of Commerce. Perhaps it isn't important—

MR. PETREE: I don't know whether you are trying to impugn the witness or not. All I can say is that I have been chairman of that committee for a number of years, and if they didn't like what I said, they could have gotten a new chairman.

MR. RALPH DILLS: Well, I assure you that you are doing well. All I am trying to establish is one of two things here—first, that you did at that time ask for a master plan which included, among other things—I am not going to go into that—but it did include operator's license fees, some diesel fuel tax, and other things as I recall it, but you did ask for an increase of one cent in gasoline taxes.

Now, may I continue reading here? I am going to mention the other three points in a minute. First, let me explain the impact of this extra penny, which added one cent gasoline tax on the realization of your plans. You will agree it has been previously established that the average car in California uses about 630 gallons of gasoline annually, and according to the plan, this would bring in about $125,000,000 worth of revenue in the next decade.

Now, this is the one given to the Collier Committee by Mr. Don Gilman, Executive Vice President of the Western Oil and Gas Association. Mr. Gilman represents an association of oil and gas companies, and when it comes to gasoline taxes, these gentlemen know what they are talking about. Mr. Gilman's statement concurs only on the present three-cent gallonage tax. There is nothing whatsoever to do with the proposed taxes about which we have been talking — I mean the $120,000,000. Mr. Gilman's association estimated that the revenue from pre-scaled gasoline taxes will bring $800,000,000 into the Treasury of the State Highway Division during the next 10 years.

Now, do you feel that the Western Oil and Mr. Gilman know what they are talking about when they talk about gasoline taxes?

MR. PETREE: Well, I would like to answer that this way. At the time this radio talk was made, the Collier Committee was then on a tour around the State of California, on the major highway developments. The committee I had that represented the legislation two years ago felt that instead of working out new legislation, we should be as helpful as possible to the Collier Committee, in the hope that when the Collier Committee

finished its work, legislation would be suggested that would be the kind of legislation we could all support In the meantime, when Senator Collier and his committee were in Southern California we did all we could to stir up the people of the State of California to the needs of a master plan, particularly the freeway program for Southern California, and at that time, held as many forums as we could, some of which we have improved later on, and we had radio writers and other writers help us on that, and I thought we gave them as correctly as possible the situation as it was then. I still think Mr. Gilman and his people know a good deal what they are talking about, though.

MR RALPH DILLS: Well, I think it is, Mr. Petree. I understood from the papers I have read, that it has been established that the Western Gas and Oil Association is the association which is sponsoring the post-card—whatever you call it—survey, and therefore, I just wanted to know if you were still of the same mind; that those gentlemen knew what they were talking about.

MR. PETREE: I have great respect for those men. I want to say that at the time the broadcast was made you were talking about, there hadn't yet been made the Collier Report nor the Lindman Report, or the report of the Beebe Subcommittee. I think that is very important for you gentlemen to realize that.

That Beebe Subcommittee participation is the first committee that made any complete study of what the possible revenues would be, to establish an answer to that one question, and so far as we think, that has been answered.

MR. RALPH DILLS: Well, are you laboring under the opinion that the Collier Committee in the bill which it has before the Senate at the present time is based on the Kennedy Report to the Beebe Report, or any other report?

MR. PETREE: Well, you heard me state before, in which I said that those of us who represent the business interests were very much surprised when the three-cent tax came out, when we had come out with the one and a half cents, then when the Lindman Report was recommended, we were very much surprised when they threw some other thing in, and we were further surprised when the State Highway Division threw in its critical deficiencies list. Now, that is a—

MR. RALPH DILLS: Now, you understand the kind of shell-shock that we Members of the Legislature are suffering from. Still, we are interested in getting a good highway program out of it, if we can.

MR. PETREE: That is true, sir. We will carry out our end All you have to do is the proposing.

MR. RALPH DILLS: Now, one other question, Mr. Petree—or two others: Would you explain to me why your group, and I am assuming that you are able to speak for the Los Angeles Chamber of Commerce—I think I have a right to assume that under the circumstances, that you have changed your advocacy of a one-cent tax to a one-and-a-half cent tax?

MR. PETREE: Yes, as I told you, and that there be no misunderstanding, let me say again, that we advocated the one-cent tax—that was given before the Collier Committee handed in its report, and before the Beebe Report. By the way, it was the feeling of those of us who knew then that

the one-cent additional gasoline tax, plus some other taxes that I mentioned, would do the job. At that time, the first critical deficiencies report had not been put in, and nobody knew how much, at that time, was fully going to be needed, and then when the Kennedy Report was made, we had to revise our estimate upwards. We have been willing to go as far as Senator Collier's report indicates would be necessary, if it means better highways.

MR. RALPH DILLS: One other question—at page 12 of that transcript, you stated the Hollywood work was on the move—"It is our hope that the suggestions which our committee has made will be approved by the State, and that we will be able to get underway with our big 10-year plan in the next few months. In any case, let it be understood that the people of Los Angeles will see to it that the job is done, even if it becomes necessary to set up a local authority to do it."

MR. PETREE: That is right.

MR. RALPH DILLS: Will you please explain to me what you mean by that?

MR. PETREE: Well, that perhaps is my personal opinion, though I have discussed it with other men in Los Angeles. I personally wanted to see the problems solved, and a good state-wide highway system built, and I wanted to see it done in Los Angeles County also, because that is as it should be done, but if it isn't done, then we are going to have to have a tax of some kind in Los Angeles on our own. It could be done by an authority to build these highways on our own then.

As a matter of fact, Assemblyman Dills, in case you don't know it, since 1912 up until 1944, Los Angeles County has put up in gasoline taxes $277,000,000, and has gotten back there for state highway purposes, including administration and maintenance, about $77,000,000.

We haven't been particularly worried about the $200,000,000 which has been used on the highways over the rest of the State of California, however.

MR. RALPH DILLS: Do you think you will get a larger proportion of it, assuming that Senator Collier's bill might pass?

MR. PETREE: No, I think we should have it on a 60-40 basis, and if we get these expressways and freeways, we will be getting our fair share. All we want is what we have coming to us, no more, no less.

MR. RALPH DILLS: Now you make the statement that you feel that we ought to earmark funds here for the specific building of the freeways?

MR. PETREE: Yes, sir.

MR. RALPH DILLS: I am perfectly in accord with you in that respect, but do you think that would have to be printed in the bill?

MR. PETREE: Definitely.

MR. RALPH DILLS: And mile by mile?

MR. PETREE: No, no.

MR. RALPH DILLS: Then, getting this sum of money, how are you going to distribute the money? Is your only problem that the Highway Division be given more money?

MR. PETREE: No, I shouldn't say that. If they have a definite amount to spend on a certain definite program that would be printed in the bill.

At the present time, you allocate the money on the old previous formula, which perhaps 10 or 15 years ago was all right. It isn't all right now.

The money should be allocated on a basis of need, and need is population and registration, and a few other things, and should have some importance on breaking the total amount of money. The only program that I can suggest is that you get this total amount of money in two parts, that those moneys be divided into two parts again—50-50—as the Kennedy Report says, that it would take 51 percent of the money to accomplish the freeways program. Now, I think that Southern California should have a little more than that.

MR. RALPH DILLS: You feel that it is material where this money should go?

MR. PETREE: I think it should be written in the legislation, definitely.

MR. RALPH DILLS: In view of your last statement, how can you justify the statement which you just made to another witness, that you don't think that we need any more check on the highway department? Just what do you mean by that?

MR. PETREE: That I mean this: That I think the Highway Department, generally speaking, does do a very good job in the State of California.

I think it should definitely have to report, and I think it should report yearly on what it is going to do with this money. That much of a check, I think is sound. I am of the opinion that there can be too much legislation too, as I have pointed out. As a matter of fact, that to have a legislative budget worked out by this group once a year, and then turned over to the Highway Department to appropriate the money on that basis probably would be considerable work.

MR. RALPH DILLS: You don't think we should determine year by year where our money should be spent?

MR. PETREE: Well, I do believe you would have a tremendous amount of log-rolling in the Assembly.

MR. RALPH DILLS: I see they got to you before I did.

MR. PETREE: No, they didn't—not the Highway Commission.

MR. RALPH DILLS: Well, then, isn't the present method more of a "log-rolling" method, as you put it?

MR. PETREE: I suppose I would leave that in the hands of you gentlemen

MR. RALPH DILLS Thank you.

CHAIRMAN HOLLIDAUGH: Let's see, Mr. Geddes, you wish to ask some questions?

MR. E. R. GEDDES: I don't want to tire you, Mr. Petree; I know how tiring this can be.

MR. PETREE: Not at all.

MR. GEDDES: I just introduced a bill in the Assembly that would appropriate $70,000,000 from the General Fund to the Highway Division, and the answer was being made to this particular plea that if they don't have it, they are going to have to do away with $40,173,000 worth of highways that are on the list at this series of tabulations here, that are part of this critical deficiency list. It means a great deal to the people of every district of California that is therein represented.

Now, the reason that I believe that we should act straightforwardly, in view of the fact that we have a surplus in the General Fund, so that that excuse can't be used. Then yesterday it was said further, that if even $100,000,000 were available, that they could use that within the next year or year and a half. Now, it seems to me, unless the people—the contractors or other interested people—are so capable and so hungry, so plentiful, that they could do the whole $1,000,000,000 worth at once of a 10-year program, which we know they cannot do, that it would be entirely logical to do this year's job now, and then we could not procrastinate on it. We are not going to come into that position. All the Members of the Legislature haven't had an opportunity to study the Collier Committee report. The Collier Committee has pleaded on page after page, report after report, and they don't agree, and we have the Los Angeles Chamber of Commerce, San Francisco Chamber of Commerce, besides the State Chamber of Commerce, the Associated Farmers, the Farm Bureau, all coming in with different nonexisting figures.

Where is the Legislature going to make up its mind from that turmoil? So don't you think that it would be, and that is partly answering Mr. Dill's question, that it is feasible and good business to go ahead and do what must be done and take the other steps positively, and measure, and lay out the work then of the reports, as to how much work has to be done, and go out and find the money, from whatever sources are available, whether gas taxes or anything else? That would certainly overcome this problem, wouldn't it?

MR. PETREE: Well, the answer to this is: That if we weren't going to have a program now, or in the future, it is better for us to do each year what has to be done on the major highways. All you would have to appropriate would be yearly funds, but the trouble in the State of California is that in the last 10 years we haven't had a plan, and two years ago, the Major Highway Development Committee, representing the two automobile clubs, the supervisors, the Legislature of California, city and state chambers of commerce, worked out the first over-all program that we have had for 10 years.

Now, it came up here for vote and it was not passed. It was passed by the Assembly, but it was not approved in the Senate, as you know. Now, that was a program all right. What did they do? They appointed an interim committee. The Kennedy Report is the best that has ever been made, and that report indicates that we could start on the entire program.

Now, we will have to start the program some time—it is just like having a little trickle, a little bit at a time, as compared to having a whole program. It is like revamping the whole building—you may do it piecemeal, but to get it done, there has to be a plan. Now, I am for having the plan. We have a plan, and if you have the plan, you have to have a method of accomplishing the plan. The method you are talking about is about like doing nothing, but look what we have.

MR. GEDDES: Mr. Petree, isn't the method that I have suggested the only part of the plan, and doing it now, and doing what can be done now, and certainly having a blueprint—certainly the Legislature is up to its responsibilities and knowing what is going on, and seeing that it is done in the same way that your business and my business is run—doing it wisely?

Measure this work, get the blueprints going, find out what it will cost, and if cost must be deferred over a 10-year period or a five-year period, the way we have got our state institutions now, we have a proper plan, we have the land, but not the buildings because of the shortage of material and supplies. Taking care of the critical deficiencies should be done, but outside of that, say it takes a year and a half, then costs will be down, maybe, but maybe they will be up, too—I don't know.

Certainly, we have got to agree that these deficiencies should be taken care of here now, because I don't believe with the inequities in Senate Bill No. 5, which is or not gas taxes, and the truck taxes, to my way of thinking, are going to give us anything that we can agree on.

MR. PETREE: I think, gentlemen, that Senate Bill No. 5 has a great many inequities in it, and I couldn't possibly be for it under the present setup. Again, making it very brief, and this I certainly believe—now, I represent all the organizations I spoke for, that we believe that enough study has already been given on the plan, that we are pretty late already, that we have a good plan in the Kennedy Report and that should be adopted.

We think that it is reasonably easy to estimate the cost of that, according to that formula. We know that taking it over a 10-year period at least will mean $800,000,000, and that would have to be made up—we think that has to be made up by easy stages, taking a long time. Along the line I talked on, it doesn't take any three-cent tax as Senator Collier suggested this morning—it takes a one-and-a-half-cent tax that I mentioned.

That gives you the money to do the job, and after you have the money, we are interested in just the two allocations that I have stated, one for the expressways, and the other.

Now, as to checking on the Highway Division, I can honestly say to you gentlemen, I have not given it enough study, but in view of the last critical deficiency report alone from that division, which we do not agree with at all, I would say that you would have to have a two-and-a-half-cent increase instead of a one-and-a-half-cent tax. In view of that and some other things that have come from the division, even though we have great confidence in those gentlemen, I still think there should be a check on them as to what it should be spent for. I am not competent to say. I don't think so; my personal opinion is that you shouldn't. I have never checked with my own organizations, but I definitely hope that before this session of the Legislature is closed, that we will not have talked this thing along to another session.

MR. GEDDES: Well, I hope so, but I hope we can put in on the business basis annually, in view of the fact that 10 years from now we are still going to have highways to build and maintain.

MR. PETREE: Even so, I would hesitate to be critical now.

MR GEDDES: I don't think so either. This thing really needs some work yet.

CHAIRMAN HOLLIBAUGH: I think we should take a little recess.

MR. EVANS: Mr. Chairman, I move we recess for a period of 10 minutes. Before the motion is seconded, I would like an opportunity to ask a few more questions after recess.

CHAIRMAN HOLLIBAUGH: All right, then, we will recess for 10 minutes.

(The motion to recess was duly seconded, and a recess was taken for 10 minutes.)

CHAIRMAN HOLLIBAUGH: I don't like to interrupt all these talks, gentlemen, but 10 minutes has elapsed, and time is fleeting. Yes, Mr. Heisinger.

MR. DILLS: Mr. Chairman, I think that we should recommend to the Rules Committee that they consider the question of giving us some more postage to answer these things.

CHAIRMAN HOLLIBAUGH: You will have to take that up with Ickes, Mr. Dills. Now, Mr. Heisinger, you are next

MR. S. L. HEISINGER: Mr. Chairman, Members of the Committee, and Mr. Petree:

There has come into my mind the question following your statement, and also yesterday's statement by the Director of Public Works. It comes to my mind that this cross-questioning is, I consider, on the line of a small court, wherein they are trying to break down the witness. I believe we are here trying to get information, and I deem it a great honor to have a man graciously appear before us. I have been here since 1921, and my information is that California has always been under-financed on road programs. What is your opinion about that?

MR. PETREE: I think, Mr. Heisinger, you are certainly correct in that respect, that our road system has been under-financed, and I don't want to see us remain that way.

MR. HEISINGER: Do you know that the average tax in the United States for many years has been four and a half cents for gasoline?

MR. PETREE: Well, I knew that there was only one state in the Union that had a gas tax less. I have seen those figures and there are some others that have a three-cent tax, and most of them have considerably more.

MR. HEISINGER: The average for many years has been four and a half cents all over the United States. Now, another question: Do you know that 22 states in the Union are now asking for an increase in gasoline taxes?

MR. PETREE: I didn't know it until this morning session. I heard Senator Hatfield say that a number of them were up before the state legislatures.

MR. HEISINGER: Now, the question that you brought up yourself: That you thought the maximum that the trucking industry could bear would be a 50 percent increase in their taxes, for highway purposes. Of course, I understand you were not officially speaking for them, but you are speaking on the information you can get?

MR. PETREE: Certainly. I can't speak for the trucking industry. I think the trucking industry have not been paying their fair share for the use of the highways at all We don't want them to pay more than their share. I don't know, I never have read the speech by their official representative. I thought if he was willing to go that far, that is worth looking into anyway.

MR. HEISINGER: Do you know—you mentioned about registration fees for motor vehicles. Of course, three dollars is what it is at the present

time. Do you know that that more than pays the expenses of that department?

MR. PETREE: Well, I wouldn't be surprised. I don't know, sir, that it does, but our feeling, that is, at least it has been my feeling, and most of the organizations that I represent, that registration fees should be increased to furnish further 'spread,' so that everybody pays a fair share. The Automobile Club of Southern California does not feel that registration fees should be raised, but does believe in more license taxes The State Chamber of Commerce, on the other hand, feels that the license fees should be raised to the full six dollars, as it is in Senate Bill No. 5, and the others, the Downtown Business Men's Organization of Los Angeles, believe that it is more equitable to do both; to have a license fee of one dollar, and a five-dollar registration fee, instead of six dollars.

MR. HEISINGER: Now, following that, I am sorry I haven't it in my hand, but this morning the Rules Committee reported favorably for printing in the record, a report of the Motor Vehicle Department where it specifically states that the three-dollar fee not only takes care of registration, but the administration, depreciation, and highway patrolmen, and also the registration of drivers, and has a surplus left. Now, in view of that fact; by the way, you can get that in the morning's Journal when the day's Journal comes out. I am satisfied that it can't.

I can refer to specific instances, but in view of that, does it seem fair to the Chamber of Commerce, and to you personally, that the little guy that is driving a little jalopy, and making his living driving out to my ranch to prune vines, and then back to town, should be forced to pay practically a 100 percent increase when no other industry is willing to pay more than 50 percent increase in this highway maintenance?

MR. PETREE: Well, as I understand it, Assemblyman, there are registration fees in the State of California just as is the case with the gas tax, and they are lower than the average of the other states. Now, that doesn't mean that they were right or they were wrong, but it is true that we have one of the lowest registration fees in the country, and to be perfectly fair in this matter of raising more revenue for the building of a great highway system in California, everyone should be willing to pay something toward the upkeep of that highway, and it is only equitable that the raising of taxes should be done fairly, and not burden just one class. It may be true that someone else uses the highway more frequently, and the one who uses it less has to pay additional costs in gas taxes, so I think there is a good deal to be said for the equitable or sharing. These people who have to pay it won't think one dollar is too much.

MR. HEISINGER: I understand that the Chamber of Commerce and the Collier Committee are all practically agreed upon the proposition that the highway system should be maintained according to its use.

MR. PETREE: I agree with that.

MR. HEISINGER: Okay, then, if that is true, and I hold that to be true, then I figure that you feel those who travel the road 10 times as much are the ones who should pay the gas tax, rather than registration, but the registration is not to use the highway—it is the privilege of using the highway.

MR. PETREE: Well, I doubt very much if your people are going to object seriously to paying a one-dollar license fee. I want to say this also, that it is my understanding that a good part of the license and the

registration fee go into a fund that goes toward the upkeep of the Motor Vehicle Department and if I am wrong in that, I can be corrected; if we are going to have this increase in this automobile registration, and if we are going to do a better job of preventing accidents and a better job of safety, we are going to have to give the Motor Vehicle Department additional support, and then, too, we don't want to give them too much—I mean to say that we should give them the correct amount.

MR. HEISINGER: I have just taken it from the report made that they won't receive millions of dollars additional to put into this highway and maintenance. I don't like to close any thought without wishing to thank you for your very courteous statements to my questions.

CHAIRMAN HOLLIBAUGH: Thank you very much, Mr. Petree, we really appreciate very much your coming up here to appear before us.

MR. PETREE: Thank you, gentlemen.

CHAIRMAN HOLLIBAUGH: We have one more here, Mr. Weber.

MR. C. M. WEBER: Mr. Chairman, thank you. Mr. Petree, by way of an illustrative point, and in order to illustrate my point, or several points, I would like to ask a question:

Evidently, from your testimony, the Kennedy plan isn't acceptable to your people. You spoke of the adoption of the program. What does that mean in your mind?

MR. PETREE: Well, to me it means just this: That the Kennedy Report definitely laid out ways and rules about the rural and urban area systems for the State of California. Then it stated that that system could be built within a reasonable period of time—he used a maximum of 10 to 14 years as his period of time. He further said in his report that they had specifically surveyed all of these various roads and routes as to certain parts of them, that they knew the exact cost, and as to other roads, they had taken the figures from the cities and the county engineers, so it seems to me we have a definite plan delineated, and if adopted, there wouldn't be any question about it You could put in your urban and rural routes in the State of California from it.

MR. WEBER: Now, one point, would you say also to put that plan on the land, delineate it on the land first?

MR. PETREE: On a line where it is going to be?

MR. WEBER: I mean on the land, getting hold of the land through official act.

MR. PETREE: Not as to the exact location. First, if I may answer it this way. In Los Angeles we have been working on the main highways and freeways plan for a long time, and one of the things that has to be done is to acquire the land, but if we first make public the routes that are to be taken, and acquire the land afterward, it leaves the whole thing open to a lot of real estate speculation. In Los Angeles we acquire the land first, that is the policy, before it is announced that the route will follow.

MR. WEBER: Well, I can agree to that, on land speculation. Then I want to point out one thing to you: All of these great plans take, as a rule, on account of the complexities of human affairs, politics, and all those things. These things we are going to do in a number of years, to accomplish the entire concept of the plan, which is the primary thing we are after. There ought to be a concept and a study made and a final determination of the plan—that is, the plan itself.

Now, in my opinion, that has, and I think everybody will agree here in California; we have neglected the Department of Public Works. It did not come forth with a great plan, and we were compelled to set it up now. Ultimately the plan will accomplish all those things, that is, all plans should be coordinated with one another, and those plans should create a great highway system throughout the State of California.

Furthermore, under that act that was finally amended in 1937 to provide for such consideration, not only this, but the great Central Valley Project. Furthermore, it provides a way by law for planning and for its preservation, to keep them free from conflict with land uses.

Now, there are prior constitutional rights, and the courts themselves have a way of determining these things, first, a man's property cannot be taken from him without court determination of the case, and so forth, that are necessary to satisfy him that the man has been provided for by the public. On the other hand, the courts have a procedure whereby the general welfare of the people under the police powers is laid out.

Now, the point I make is that we may be struggling and we may be standing here today trying to determine a state policy, but while we are doing this people are building up along these rights of way, and sooner or later we will have to acquire them, whether by right of eminent domain, or otherwise. This is going on now.

The point is; Mr. Geddes, for instance, asked a question as to how we may go along on an annual or biannual basis and appropriate money, and it seems to me that since it takes time to plan and estimate and construct—you say 11 years—that every one of these rights of way must be guarded, and there must be a way, and we must bring into effect through governmental policy a procedure to accomplish that purpose. If you do that, it leaves the Legislature free to determine a way of financing this program and we have not lost our plan—the land is safe—do you agree?

MR. PETREE: I think that is good.

MR. WEBER: Now, when that question is determined, then we can make possible the procedure of determining what money should be spent and where it should be spent on a shorter time basis when the land is in our control.

Now the next question is this: The procedure plans should be followed. In other words, the state department should go to the counties and place upon the county plans—its part of the plan, those rights of way which they—

MR. V. THOMAS: I will ask for a point of order. I am asking that the gentleman is out of order. I would like to ask some questions and I would like to ask him some for the purpose of getting information only, instead of going into matters of policy.

CHAIRMAN HOLLIBAUGH: That is fine, but Mr. Weber will be through here in just a moment.

MR. WEBER: I might say that the whole success of this highway system revolves itself upon the question that I am expounding. The next step is to have the Planning Commission adopt those plans and they set aside district or whatever land is to be preserved for these highways. We are trying to provide legislation to accomplish this to further perfect this system which already exists in law, and I say to you people that that thing must be done, and it answered Mr. Anderson's question as to how the

legislation may allocate this financing on a short time basis so that the construction may be done in a reasonable time.

If we preserve the right of way, then that can be done.

One thing more, this new system that we are setting up of limited access roads. The State of California does not provide for the necessary additional facilities that must go parallel to these highways, what we call service roads. They leave that haphazardly to the individual property owner right along these freeways. New buildings are going up everywhere, new subdivisions. We must come along then within a few years and tear their homes and buildings down so we may establish set-back lines.

We must preserve the right of way beforehand, and we must establish adequate rights of way where we do not have them now.

CHAIRMAN HOLLIBAUGH: Thank you, Mr. Weber.

MR. R. C. KIRKWOOD: Mr. Petree, I am not entirely clear from your earlier statements as to just what program you do approve. Was it the second?

MR. PETREE: I am glad you asked the question, Mr. Kirkwood, because no one thinks my statement is clear, but even a moment ago I didn't give you exactly the correct answer.

At the time the Kennedy Report was presented in November, there had only been the first critical deficiency report, insofar as I know, Mr. McCoy will correct me if I am wrong. The second critical report was based on the first critical report, that is, it was based on traffic count and studies made up to 1941, and brought up to date, insofar as it could be, and then they cited the next 10 years' need, so that we thought at that time that was all there was to it, and so far as the engineering report is concerned that we have studied and had our experts study, that is all we have studied.

Now, the second critical deficiency report is a report that was brought in by the Division of Highways, and it is true that it does add considerably more money—it almost doubles it.

We are not saying that those deficiencies are not needed. We just don't know. All we can say is that it has never been proven to anybody, so far as we know, certainly not by the Kennedy Report, because he had already been back by that time. The Collier Committee included those.

Then there was the third critical deficiency report, which was supposed to clarify the fact that in the original report of Mr. Kennedy, some of the major freeways were included in the city program, and not in the state program, and Senator Collier in his committee that those should be taken out of the cities and put in the state program. I think that is pretty good, so that when they asked the division to give them some figures on that, which the State Highway Division did—and something that I never knew before—in talking to Mr. McCoy and Mr. Vickery, the third critical deficiency is actually a report to the Collier Committee—it is a report of their division.

MR. VICKERY: The so-called third deficiency report, as Mr. Petree has said, is the city freeway, as shown in the Kennedy Report, some $116,000,000. That particular group of freeways is not allocated in the report to the Collier Committee. The Collier Committee had asked the Division of Highways to determine where those freeways were, and

we did, insofar as we could, and to the best of our ability, determine those freeways.

In the Los Angeles metropolitan area they were pinned down very closely, and there was no trouble there.

In the San Francisco Bay metropolitan area, they were not pinned down so closely. We located them as nearly as we could. In the San Francisco Bay area it was necessary that we make our own estimates, because they had not been made in the Kennedy Report—that is, project by project As a result, we have estimated those freeways to total $214,000,000 instead of $116,000,000, that is called for in the Kennedy Report. The $214,000,000 was put in then by the Transportation Committee of the Senate, not the Division of Highways.

MR. KIRKWOOD: Now, this first critical deficiency report contemplated spending $700,000,000, and the second critical deficiency report is up to $1,400,000,000 Now, have you figured some other program that you contemplate?

MR. VICKERY: Yes

MR. KIRKWOOD: What does that figure?

MR. VICKERY: Wait a minute. I don't want to get confused. That is a total figure of over $2,000,000,000 The state total for the State, counties, and cities is $2,394,000,000.

MR. KIRKWOOD: Well, the figure for new construction, which, as I understand it, is contemplated in this critical deficiency, was there a figure on that?

MR. VICKERY: One of them has confused the whole business. That is, we originally specified freeways were going to cost so much money, and that lumped the whole thing in with the county and state highways, other than freeways, so that you have to lump it all together, deficiencies and other projects. According to the Kennedy Report that was to be $926,000,000.

MR. KIRKWOOD: Now that doesn't coincide with either this deficiency by the Department of Public Works?

MR. VICKERY: No.

MR. KIRKWOOD: May I ask just one further question of Mr. McCoy? Their calculations are based entirely on cost. Now, do they take this Kennedy formula and reject it?

MR. G. T. McCOY: I don't know what their formula is based on. I know what the Kennedy formula is.

MR. KIRKWOOD: Is it decided on current costs?

MR. VICKERY: It is based on current costs.

CHAIRMAN HOLLIBAUGH: Mr. Thomas.

MR. THOMAS: Mr. Petree, in all the reports that you have read to us, I see no mention made of costs that will be borne by the utilities, both private and public. Do you think it is an equitable thing to reimburse public and private utilities for whatever cost they undergo when these highways are constructed over their property?

MR. PETREE: Mr. Thomas, I just honestly don't know all these things. Of all the problems we discussed in our committee, we never had that one presented to us, and I never even thought about it. I would hesitate to say. I am not in the public utility business.

MR. THOMAS: In other words, you understand that all of these public and private utilities will be forced to move a lot of their equipment and

facilities and undergo a terrific expense in putting them in line with the new freeways?

MR. PETREE: Whenever they build a freeway, they go through and condemn the property and I understand, and I thought they were paid a correct amount.

MR. THOMAS: Well, the thing I am asking is this: Many of these utilities have been in existence long before the highway system came into being. Many of the new freeways will be built along on public and private utility property now in existence. Now, the question is: is it equitable to compensate them for whatever cost is necessary to do this work, and does that come out of the highway program fund?

MR. PETREE: I just don't think I am competent to answer that.

MR. THOMAS: Mr. Doyle would like to have me ask you: What about the United States highways, are they to be part of this program?

MR. PETREE: They are a part of our system.

MR. THOMAS: Do you think that if this program is initiated, that most of the trucks will be prevented from using a great portion of the expressways?

MR. PETREE: Well, I don't have that impression. I thought the trucks would be prevented from using certain parts of it.

MR. THOMAS: You think all expressways that funnel into Los Angeles, the trucks would not be able to use those parts going into metropolitan Los Angeles?

MR. PETREE: Not Arroyo Seco, or in Hollywood.

MR. THOMAS: Then how is it that the trucks are called upon to pay a six-and-three-quarter-cent increase in the fuel tax?

MR. PETREE: Well, there isn't any question about getting over too easily. Mr. Purcell told me that it cost 40 percent more just because of the heavier construction that has to go into the highways so that trucks can use them, and certainly under the 3 percent gross receipts tax, the trucks are getting pretty close to a free ride.

MR. THOMAS: In other words, it is your opinion that the trucks can take a 50 percent increase?

MR. PETREE: On the other hand, I don't want to see them pay any more than is equitable, by any means.

MR. T. J. DOYLE: Pardon me, Mr. Chairman.

CHAIRMAN HOLLIBAUGH: Yes, Mr. Doyle, do you wish to ask a question?

MR. DOYLE: Now, the United States Highway and 99 are the same, are they not?

MR. PETREE: That is correct.

MR. DOYLE: And 99 Highway presently will probably go clear to the Arizona line, or the New Mexico line, to Portland, Oregon. Now, what part of this program will the Federal Government be called upon to participate in, that is, the expense?

MR. PETREE: Well, I guess a certain part of it. I don't know the exact amount. I certainly wouldn't want to ask the Federal Government for any more, because we always pay the Federal Government more than we get back on everything.

MR. DOYLE: You don't believe the Federal Government would participate in a United States Highway? That would reduce the consideration from the State under these taxes that they propose to raise.

MR. PETREE: I don't think so. Would you, Mr. McCoy?

MR. McCOY: The amount the Federal Government contracts is so small.

MR. PETREE: (Directing to Mr Doyle) You don't mind me asking Mr. McCoy?

MR. McCOY: Prior to the war, the Federal Government contracted approximately $4,000,000 a year, and during the 1944 Federal Aid Act, authorized $18,000,000 annually on the federal aid routes, and approximately $5,000,000 annually on secondary routes, which in this State is spent on county roads. After the war, it is problematical what they will do. Reading the newspapers, at least, for the next few years it doesn't look like that will be any additional, that is, that we can rely on, in the way of federal aid authorizations.

CHAIRMAN HOLLIBAUGH: I don't want to cut any of you men off from questions, but Mr. Petree wants to catch a train. Mr. Lowrey?

MR. L. W. LOWREY: We have heard three different deficiency reports. I wonder if I am correct. I thought yesterday that Director Purcell spoke of one as a deficiency and I thought that the other two later reports were critical deficiencies Now, am I confused and wrong in that respect, and if I am not, what is the difference between deficiencies and the critical deficiencies reports? I don't know whether anyone can answer it.

MR. PETREE: Mr. Purcell could answer it a lot better than could I. That first one was definitely the critical deficiency that we just had to take care of in the State of California, and the Kennedy people amended that in theirs. That may be critical, but perhaps not as critical as the first, and the third was merely a report providing for the taking care of those major freeways that were approved by the Senate

MR. LOWREY: Well, the first is the critical deficiency, and the others deficiencies, is that it?

MR. PETREE: That is the way I think it is

CHAIRMAN HOLLIBAUGH: Mr. Lowrey, these engineers will be asked to appear, and there is another gentleman who has come a long distance and you will be permitted to question the engineers a little later. Do you mind that?

MR. LOWREY: I am interested only to this extent: That if we are listening to these discussions, and they are discussing these reports, we would like to know whether they are discussing the critical reports in agreement with Mr. Purcell, or some other reports.

CHAIRMAN HOLLIBAUGH: (Directing to Mr. Vickery and Mr. McCoy) Would you gentlemen know which is which?

MR. VICKERY: I would like to try to make myself clear.

MR. LOWREY: Yes, all we need is an answer that would satisfy me

MR. VICKERY: All right, Mr. Chairman?

CHAIRMAN HOLLIBAUGH: Yes, Mr. Vickery.

MR. VICKERY: In 1943 the State prepared what is called a "Critical Deficiency Report," which amounted to $700,000,000. That report consisted of critical deficiencies which had accumulated on the State Highway System up to the beginning of the war. Now let me emphasize that 77 percent of that cost was made necessary to extend lane capacity.

In other words, 650 miles of highway need to be extended to multiple lane. In 1946, beginning of 1946, the State compiled—the Division of Highways compiled what we called the "Second Deficiencies Report."

That report was based on 1946 traffic load, and for the normal expectant increase in traffic through 1956. Now, naturally the roads would take in all roads needing expansion to handle traffic to 1956, and could not be considered critical at this time. In the second deficiency report, the one I am speaking of—I gave the first one as 1943, the second is 1946.

MR. A. W. ROBERTSON: The second one, is that the one you are talking about?

MR. VICKERY: No, the 1946 report was submitted to the Transportation Committee of the Senate in January.

MR. ROBERTSON: Which one was the October 28th one?

MR. VICKERY: I do not recognize any report as dated of October.

MR. ROBERTSON: I will get it.

MR. VICKERY: Getting back now to the second deficiency report in 1946, again let me call your attention to the fact that about 77 percent of it was necessary lane expansion, and that included some 2,750 miles that was necessary to be expanded to multiple lanes.

Now the total amounting to $700,000,000, and the 1946 total, amounting to $1,458,000,000, are the only critical deficiency reports prepared by the State. Now, the difference between the second deficiency report and the $2,148,000,000 is made up by the expressways system provided for in Senate Bill No. 5.

Senate Bill No. 5 proposes an expressway system, a portion of which was not included in the 1946 deficiency report. Now, the amount of those two items was put into the deficiency report when the expressway system was put into Senate Bill No 5, and that amounted to approximately $750,000,000, which is the difference between the $1,458,000,000 report in 1946, and the $700,000,000. Is that clear now?

CHAIRMAN HOLLIBAUGH: It isn't to me. If you ask Mr. Lowrey here—

MR. LOWREY: That is an answer that I believe would be "yes" to my question.

CHAIRMAN HOLLIBAUGH: Thank you, Mr. Lowrey.

MR. VICKERY: The report which Assemblyman Robertson handed to me here is the first report—the $700,000,000 report of 1943—prepared in 1943.

CHAIRMAN HOLLIBAUGH: Pardon me for asking the question, but I haven't asked one today, is that the one that was in Mr. Sweigert's report last week, in setting out the Governor's recommendation on the Highway Program for $700,000,000, which was mentioned as the main amount?

MR. VICKERY: No.

CHAIRMAN HOLLIBAUGH: Do you know what it was?

MR. VICKERY: I will have to pursue it further.

CHAIRMAN HOLLIBAUGH: Do you know—

MR. VICKERY: No, that is another item. Now, the Director of the Department of Public Works has made a recommendation—did make a recommendation—to the Transportation Committee in the Senate—made the same recommendation here yesterday—that the main program that should be undertaken on the existing State Highway System be not less than $75,000,000 a year.

Now, that is the amount of money discussed in Mr. Sweigert's report.

CHAIRMAN HOLLIBAUGH: Mr. Anderson was next, but Mr. Petree has to catch a train. How quick did you have to go, Mr. Petree?

MR. PETREE. I will try to stay for a while yet. I have to catch the 5.25 train.

CHAIRMAN HOLLIBAUGH: Fine, then. All right, Mr. Anderson.

MR. G. M. ANDERSON: I will try to make my questions rather brief, Mr. Petree.

In your opening remarks you said that you thought the money should be spent pretty much where it is raised, and that is a kind of a tough thing to figure out here, because I have taken a second and figured that out of these three deficiency reports—I found out that of the $1,700,000,000 or so, that Southern California would only receive around $701,000,000, and Los Angeles around $370,000,000.

Now, according to your own reasoning, on the basis of registration—on this 60-40 proposition—according to my figures there, Southern California would be losing roughly $310,000,000, and Los Angeles would be losing around $327,000,000 over and above your former sponsoring where the money is collected. Now, how should we do this, right to the line that everything should be spent where it is collected, or should we buy this at this high premium?

MR. PETREE: I wouldn't buy it and pay that high premium, and so far as that is concerned, we in Southern California will not be sectional about it. I think the money should be allocated according to the most need, where the biggest populations are, primarily. You have got to take care of the rural too, but on the other hand, how are you going to figure out what percentage should be allowed one and the other? Fifteen years ago they figured it at 50-50. If we have approximately 50 percent of the registration—of the automobiles, which we do have in the 13 southern counties, and we have approximately 61 percent of the population—it works either way. It seems to me that a 60-40 split is a pretty logical split.

MR. ANDERSON: You mean 60 for the south and 40 for the north, do you not? A report now gives 42 percent for the south.

MR. PETREE: Yes, I know, when we first saw that we were a little suspicious of it. It looked like a report that just justified raising a lot of money for other parts of the State, and leaving us pretty much out of it.

MR. ANDERSON: This is the program that is recommended by the Department of Public Works, and it is the one that we are going to have to vote on, and if we know what we are voting for, this percentage or something else, should we go this way or that way, or should we chuck the whole thing out?

MR. PETREE: Well, you can cut it down, and, as a matter of fact, you can work out your own allocations and work them out, and, as I understand it, the Senate has 55 south, and 45 north. They recognize the inequities of the present set-up. Now, when you say spending the money where it is collected, I wouldn't go so far as that, because it makes it too difficult.

MR. ANDERSON: Then would you go for the present allocation in the Senate now, the 55-45, rather than the 60-40?

MR. PETREE: Well, that is up to you gentlemen, but I think the 60-40 split is equitable, and if we don't get the 60-40, we are open to negotiations.

MR. J. F. THOMPSON: In building your roads exclusively for automobile traffic, are the same specifications followed for mixed traffic—trucks and automobiles—and who sets the standards?

MR. PETREE: The State Highway Division sets them, as I understand it, and then I also understand they build the roads so that trucks can go on them.

MR. THOMPSON: The Federal Government does not have any say in the standards?

MR. PETREE: Yes, they do

MR. THOMPSON: They do. The Federal Government has something to say about it, that is, where federal roads are concerned?

MR. PETREE: That is correct.

MR. THOMPSON: But they do have the same specifications in either case?

MR. PETREE: Yes sir.

CHAIRMAN HOLLIBAUGH: Mr. Waters?

MR. L. E. WATERS: Mr. Chairman, if there are no further questions of Mr. Petree, it is my opinion that he has made a most excellent presentation, and I believe he should be commended for it. Now, it occurs to me, that if we are going to play a major part in writing effective, workable highway programs—now, many of the Members of this House are not present this afternoon for the discussion. I believe Mr. Petree laid out a very sound program in his original remarks—at least one that bears further investigation and study by this group.

Therefore, I move that it be a recommendation of this committee that Mr. Petree's remarks be incorporated in the Daily Journal, so that all members of this body will be able to read and study it.

CHAIRMAN HOLLIBAUGH: Thank you, Mr. Waters, it will be taken up in the Journal, and Mr. Petree, I wish to personally thank you on behalf of the committee, and myself, for coming here at this time. Your faith has been shown as wonderful, and we appreciate it very much.

MR. PETREE: Well, Mr. Chairman, I wish to thank you for permitting me to come here, and I thank you all for being patient enough to listen to me.

CHAIRMAN HOLLIBAUGH: We have another gentleman from out of town, and that is Mr Harrison Baker, a member of the State Highway Commission, along with several members of the commission. They advised me that Mr. Baker will speak for them. Mr. Baker, will you come up here, please, and subject yourself?

The members of the commission were invited by your chairman to make any statements they care to, and they accepted most happily, and Mr. Baker, I will introduce you to the gentlemen

MR. HARRISON BAKER: I hope I am not going to keep you too long, gentlemen.

CHAIRMAN HOLLIBAUGH: We stay here as long as you want to stay. The sky is the limit.

MR. HARRISON BAKER: Mr. Chairman, and Members of the Committee.

I want to thank you for your invitation to appear as a Member of the Highway Commission. Your committee is considering these matters that are so vital to the highway system of California and all the people of California. I can assure you that it is the desire of every member of the Highway Commission to be helpful to you in your consideration of this legislation.

The California Highway Commission has, to the best of its ability, carried out the mandate of the Legislature as stated in Section 70.2 of the Streets and Highways Code, which reads:

"Each member of the California Highway Commission shall represent the State at large and not any particular district or section. It is hereby declared to be the policy of the Legislature to provide for advance planning and continuity of fiscal policy in the construction and improvement of the State Highway System and in the administration of the expenditures from the State Highway Fund. The commission is directed to follow such policy insofar as possible."

In carrying out this policy the commission has carefully considered each project in the presently approved highway program on a sound engineering and on a state-wide basis.

The commission has found that the need for immediate action to provide funds to correct critical deficiencies is imperative. We cannot and have not been able to care for these deficiencies which have accumulated over a long period of years and which will, if additional funds are not provided, accumulate at a greater pace, and become progressively more accute, in view of the increased usage of a obsolete facility.

Most of you are familiar with the figures. Based on 1941 costs, a report was submitted in 1943 to the Legislature by the Division of Highways, which is the report Mr. Vickery just outlined to you, showing a need for $700,000,000 to meet critical deficiencies in the State Highway System at that time.

More recently, in 1946, a second report, covering deficiencies for the period 1946 to 1956, shows that about $1,500,000,000 would be needed. This takes into account anticipated traffic increase, the need for an additional 1,050 miles of multiple-lane highways not included in the 1943 report, and current construction costs The multiple-lane type of improvement represents 75 percent of the entire estimated cost and includes a total of approximately 2,700 miles.

Present construction costs, over 1941, show an increase of about 53 percent on highways and 60 percent on bridge construction.

The question may be raised, "Why build now?" The answer must be obvious to most of you. First, improved highways, particularly of the multiple-lane type, will save lives and property. Secondly, the accumulative need is so great, and obsolescence and deterioration of highways so rapid, that construction cannot be deferred. Thirdly, it is not to be expected that labor costs will suddenly drop; and much of the construction cost of our highways are labor costs. Lastly, on a long range, properly planned program the cost factor, on a wide base, levels itself off. Any delay means a continuing daily cost to the highway user.

An examination of the budget detail submitted to the Legislature shows the situation in which the commission now finds itself. The total estimated income for the ensuing fiscal year, 1947-1948, is $69,767,000, which is the budget submitted to the Legislature by the commission. After

various allocations, for administration, maintenance, highway planning, maintenance and operation of the San Francisco-Oakland Bay Bridge, and other continuing items, there is available to the commission for construction projects approximately $27,000,000, and $6,000,000 for the purchase of right of way. Deducting a repair item of about $4,000,000, there is left to the commission for actual construction projects in the coming year's budget approximately $23,000,000.

That sum will not go far when divided between primary and secondary highways and among the 58 counties of California. The commission cannot begin to finance the deficiencies with only $23,000,000 a year available for new construction. It is the opinion of this commission that the absolute minimum needed annually for construction on the State Highway System is at least $75,000,000 annually.

We have some $40,000,000 worth of additional projects on which plans have been prepared and on which contracts could be let if finances were available. These are projects which are in our approved postwar program, with which most of the Members of the Legislature are familiar. Beyond that, and I might state, that of this 40 or 60 millions that we have after we program some 20 millions for the ensuing year, we still have some 40 millions on our approved list that we are unable to finance in the ensuing fiscal year, for which plans are ready and which we could put into execution.

Beyond that, there is approximately $100,000,000 worth of projects on which plans are in various stages of preparation. These also could be quickly completed and bids called for.

From present revenue sources, to match the 10-year deficiency of approximately $1,500,000,000, there is in sight an estimated $280,000,000 available for construction, or an average of $28,000,000 a year over the next 10-year period.

The wide gap between the $280,000,000 anticipated revenues and the $1,500,000,000 10-year deficiency should be cause for concern to this Legislature just as it has been to the Highway Commission. The deficiency program does not include the additional approximately $200,000,000 in metropolitan freeways which appear in Senate Bill No. 5, now under consideration by the Senate.

This commission is here at your request, Mr. Chairman, and members of the committee, and we want you to know that it is our express desire to cooperate, without trespassing upon the legislative function of levying taxes to produce revenues which are vitally needed to meet a well-planned, long-range program for modernizing and bringing up to date the State Highway System of California, with each user and each class of user paying his fair, just and proportionate share of the costs.

Mr. Chairman, now I will be ready to be as helpful as I can in answering questions. We have some of our staff here that will answer any that are too technical for me

CHAIRMAN HOLLIBAUGH: All right, Mr. Baker, thank you very much. Did you want to ask some questions?

MR. JOHN W. EVANS: I just wanted to ask a question; is there a Mr. Warlow here—is he here?

MR. BAKER: He is sitting in the rear of the Assembly Chamber.

MR. EVANS: I wanted to talk and make my questions to Mr. Warlow when you are finished.

MR. BAKER: The other members of the commission are Mr. Warlow, Mr. Smith, Mr. Sandelin, Mr. Guthrie, and Mr. Brown. They are also here and I understand they are here to answer questions if you care to ask them

MR. EVANS: That's fine. That's just what I will do.

CHAIRMAN HOLLIBAUGH: Well, we will proceed with you, Mr. Geddes. Mr. Geddes is next.

MR. ERNEST R. GEDDES: Mr. Baker, are you the chairman of the commission?

MR. BAKER: No, the chairman of the commission, under the existing legislation, as you gentleman know, is ex officio the Director of Public Works, who is Mr. Charles H. Purcell.

MR. GEDDES: That's right. Then you had reference to the budget, the Governor's Budget. You all know it is a very large volume. What study do the individual members of the Highway Commission give to the Highway Department budget?

MR. BAKER: The budget receives careful consideration, Mr. Geddes, it was presented to us in tentative shape, and it was carefully studied before it was finally adopted, and the recommendations of many engineers are taken into consideration.

It is considered at a November meeting before it is finally adopted and officially submitted.

MR. GEDDES: But the commission—the individual members that have charge to go into the execution of it, does each one give consideration to each different part of it?

MR. BAKER: That is true, as you know, the specific programs are budgeted directly.

MR. GEDDES: And so that you arrive at a particular figure, and don't you think that the Highway Department budget would get the same approval of the Legislature if it were a little more amplified through a few more lines or pages in the budget with just and beneficial results?

MR. BAKER: I don't know what study the Legislature gives to our annual budget. As I understand it, it is presented to the Governor's office in the Budget Report, or Budget Book. I don't know how far your question goes, but if it goes to the matter of legislative budgeting, that makes it extremely difficult to handle a very large budget in that manner.

MR. GEDDES: And I agree it might be difficult, but if we are really sincere and devoted to the job, couldn't we pretty nearly be ordinarily expected to do just that thing? Of course, we are going to know what the tentative amount is, but with this whole highway program, wouldn't it be better if we knew what, where, when and how much? Is that right?

MR. BAKER: I think the Legislature, Mr. Geddes, is directly concerned with the over-all size of the program—the general direction in which it is going, and the various classes of projects to be accomplished. It is an extremely difficult thing to sit down and figure out the budget in advance.

MR. GEDDES: Now, reverting to some of the other items which appear in the budget, which are also on Mr. Purcell's statement yesterday, which I referred to a while ago, he stated, "$40,000,000 worth of projects were prepared and estimates made, are all ready to go right now, and we haven't got the money."

MR. BAKER: That is approximately correct.

MR. GEDDES: And then Mr. Purcell stated yesterday that "if we had $100,000,000, we could do even more than that, and do it right now."

MR. BAKER: Yes.

MR. GEDDES: I think you used the figure of $100,000,000 yourself a few minutes ago.

MR. BAKER: In answer to that, Mr. Geddes, I might say that the commission was charged by the Legislature, and by the Governor, in preparing a postwar program, as you gentlemen remember, you voted an additional $12,000,000 to the Highway Commission in 1943 to be used for the purpose of acquiring rights of way and engineering to get a postwar program ready to go—put in action when the war was over.

Now, the commission spent two years in preparing that postwar program that we felt would take practically $100,000,000 and $15,000 or $20,000, and we planned to build that program in practically three years after the expiration of the war.

We had the program ready, and in September, after V-J day, we started letting contracts, and as you know, there have been nearly $100,000,000 of these contracts let since that date.

With the changes in costs, we found that the program would cost us in the neighborhood of $150,000,000 or $160,000,000. We let contracts of approximately $100,000,000 of that postwar program. Some of these projects are definitely set under this highway budget, and you Members of the Legislature have been out on your own, in your own districts and seen these projects.

That left approximately $60,000,000 unbudgeted, and the contracts let for the coming year's budget consisted of approximately $20,000,000 of that program, and left $40,000,000 unbudgeted.

We would like to let those projects, they are ready to let the work. Now our engineers on the postwar program—we have had them do advanced planning and engineering, and other projects that we felt required putting in the engineering and planning estimates, so that when money became available, the plans would be there.

MR. GEDDES: Then, if by some stretch of imagination, the Assembly and Senate, within the next few days, would hand you $100,000,000 to go ahead, then the first part of the program which was prepared to be completed in the three years after the end of the war, would be speeded up and be going on right now, could it?

MR. BAKER: Well, approximately $60,000,000 remains of the postwar program that could be gotten under construction, except for certain problems we have in two metropolitan areas, in connection with the possession of freeways and highway rights of way, which presents a problem that might not make it possible to complete those sections of the project completely.

MR. GEDDES: We will not complete it, but get in and get it going well.

Now, is that going in the budget—on page 885, I think it is, that there is planned in there to receive some twenty-three or twenty odd million from the Federal Government, and yet the budget handed the committee yesterday by Mr. Purcell shows some $17,000,000, and stated that we are going to lose some of the Federal Government aid if we didn't start on these projects If we had the money, we would save that, wouldn't we?

MR. BAKER: I don't recall, I wasn't here when Mr. Purcell made reference to that.

MR. GEDDES: That's right, it was concerning the fact that unless his whole program was passed, the money would become available, so that if part of it is nearing the deadline, that also would call for speed. I also notice that during those 10 years, in making all the other estimates of cost and income, and taxes, one thing and another, that there has been absolutely no consideration given to the fact that the Federal Government, out of some spirit of generosity, and which figures they have had in the past, and that wasn't included in those figures, so I think that we might at least anticipate something from Uncle Sam, don't you?

MR. BAKER: I notice here this $280,000,000, at the time we prepared our possible fund for using over a 10-year period, there is only set up—

MR. GEDDES: $17,000,000

MR. BAKER: —$17,000,000 federal aid. Now, I think the general thought there was it is so indefinite that it is not to be relied on as a definite source of income.

MR. GEDDES: But in the budget it is $20,000,000.

MR. BAKER: Pardon me, Mr. Geddes, I do not understand your question, your coming Fiscal Year calls for $20,000,000?

MR. GEDDES: I am talking about the budget that was submitted to the Legislature, a volume about the size of the Los Angeles telephone directory, on page 885—it is just a discrepancy that I'd like to know about before this afternoon is over.

MR. BAKER: I will have to check that, Mr. Geddes, we are being reimbursed for certain projects which we are building, and certain access projects we built during the war, and that $20,000,000 is money that comes back to us for projects that we built during the war and financed for the Federal Government during the war period.

MR. GEDDES: But was that included in a lump sum?

MR. BAKER: I think you will have to ask Mr. Vickery. He can give you that.

MR. GEDDES: Okay, I will direct the question to him later.

VICE CHAIRMAN CLAYTON A. DILLS: I think Mr. Dills wishes to ask some questions.

MR. RALPH C. DILLS: That is the first time that I ever got a concession in my life out of him. I think there is even some hope of getting some light on the highway program under these circumstances, Mr. Baker, he is my brother, so you will excuse me if I have a little fun with him.

I was given yesterday, Mr. Baker, quite a voluminous piece, I suppose it would be called a document, here in response to a question which I directed to the Department of Public Works, asking for a break-down of the $40,000,000 which you have referred to, and will use that $40,000,000 just for the purpose of identification.

I notice in analyzing the report made to me in response to my question that there were 69 projects of various sizes in this $40.000,000 worth of projects, which are, I understand, approved as having been passed by your commission, but for which there are no moneys available.

I noted that on the twentieth of January, 1944, 33 projects were approved that day by your commission, that May 8, 1944, you approved two. None were approved in the year 1945. Two were approved

in May, 1946, one on the fourteenth, and one other on the eighteenth. One was approved June 19, 1946, five were approved July 18, 1946, and one was approved September 12, 1946; then 25 were approved on October 17, 1946, making a total of 69, as I previously stated. Now, directing your attention to the meeting of January 20, 1944, were you a member of the commission at that time, sir?

MR. BAKER: Yes The entire commission has been serving since the reorganization of the Highway Commission in 1943

MR RALPH C DILLS. Thank you Can you tell me what consideration the Highway Commission gave to 33 projects in various parts of the State in one day's time? How can you arrive at the consideration of those projects?

MR. BAKER: Well, I might state, Mr. Dills, that the action was probably taken on that day, but consideration of those projects was probably given over a period of time. That was in January 1944. The commission started and went into action in September of 1943, and immediately started to work with the engineering staff in laying out the postwar program, and we had all during the fall of 1943 the engineer's estimates as to these various projects which we ultimately adopted in the postwar program.

As to whatever action was taken on a single day in January, it was the result of the consideration given these projects over a period of time.

MR. RALPH C. DILLS: It was possible on that date that you might have approved other projects which were not in the $40,000,000 projects?

MR. BAKER: Possibly so, I don't know just what list you have there.

MR. RALPH C. DILLS: This list refers—

MR. BAKER: If it is the postwar program—

MR. RALPH C DILLS: Well, you are talking about the postwar program That introduced a new terminology here, with which we are not familiar. Up to now it has been a critical deficiency, and now the postwar program has come up.

Maybe I am confused a little more, but getting your attention to only the $40,000,000 situation, that is the one I am talking about. The one which you make reference to in your statement—the Governor did, and so on.

Now, who makes the decision as to which projects shall be carried out after the commission approves them?

MR. BAKER: The commission—the commission adopts a program, Mr. Dills, and the commission must authorize all funds so that until the commission takes action, the staff has no authority to advertise for bids or put a project into action.

MR. RALPH DILLS: Now, you have approved, say some 33 projects in 1944, January 20th—who makes the decision as to which of these projects will be carried out first—which one of them is given priority, which one will be contracted first from the ones that are presented?

MR. BAKER: That is a matter for the Highway Commission to decide. We may not budget them month by month. We will, however, budget a series of projects for a certain period of time, and we have to authorize by written vote the funds for each project, but that is a decision of policy of the commission, that the commission itself makes.

MR. RALPH DILLS: And you determine which of them is the most necessary, and the ones which they should proceed to let to contract?

MR. BAKER: That is true.

MR. RALPH DILLS: I see. What do you as members—individual members of the commission do to follow through to see that these projects which you have authorized in these meetings, to see that they are completed? Do you personally go out and inspect them, or what do you do in that connection? How do you know the work is being done or is not being done?

MR BAKER: Well, of course, our contracts are let to bid by competitive methods of competitive bids—sealed bids

The bids are opened and examined, and the contractor submits a bond to insure completion of the work The inspection—the work is under the inspectors who are employed by the district engineer's office, followed by supervision by the central office engineers, and the actual completion of construction is followed by our engineering staff.

MR. RALPH C. DILLS: A further question—are you aware that there are 33 projects which you have approved more than three years ago, that have not been started?

MR. BAKER: I am not familiar with that list. If it is in that postwar program, I am not surprised. As I say, we have $40,000,000 worth of approved projects—in the approved postwar program—that we have not even advertised for bids, because we didn't have the funds available to let the contracts.

MR. RALPH DILLS: May I ask this—are these so-called approved postwar projects—are those considered critical, within the meaning of the definition of that terminology by the Highway Department?

MR. BAKER: Yes, I would say they were, in our opinion, the most critical deficiencies.

MR. RALPH C. DILLS: Then are you aware there were 35 projects approved in 1943 that have projected, that of 35 approved, 33 of them are more than three years old, and according to the department, will not be started even in this coming year, so that at least four years will go by before any of these are started? Are these really critical then?

MR. BAKER: Yes, we are aware of that fact, and we are aware of it by having delegations call upon us at every meeting of the commission, many times accompanied by Members of the Legislature, urging us to get this work done, and it gets to be very painful to us to sit there and turn down postwar projects that should be under construction because we don't have the funds to do the work.

MR. RALPH DILLS: Well, then, in addition to the report which they gave me yesterday, and made available to the other members of the committee, I find that there are listed numerous rules just—well, this many, (indicating) how much you can get on—six or seven or eight pages, which projects were awarded subsequent to the time you have stated, that these others were awarded and work has been started, in many instances completed. Now if this $40,000,000 program was then critical, and among the critical items, then why didn't you proceed with those instead of these others here which take up possibly 17—I don't know how many pages here—which you have started subsequent to these approved ones?

MR. BAKER: They all come out of the same program, as I explained previously, we took the construction of those postwar projects in annual amounts, and based our plans on available funds, and we simply took

the program in stages, and if these 33 projects, as you state, are unfinished, they are part of a complete program, and they are all critical, and the only reason they have been delayed—or for two reasons: (1) the lack of funds, and, (2) in the metropolitan areas, the inability of us obtaining possession of certain rights of way.

MR. RALPH DILLS: Well, if in 1944, they were critical, certainly in 1946 and 1947 they would be more critical, by virtue of the traffic and deterioration, and yet you are letting contracts and you are spending money, and you are starting work on contracts that were let, not in 1943 or 1944, or 1945, but in 1946 and 1947.

Now, are we to believe that you are saying there are $40,000,000 in work that is needed to be done, but that you are putting the money into other projects?

MR. BAKER: No, that is not correct. The commission, with very few exceptions, where we have had emergencies or something like that, which have been very small—the commission has rigidly adhered to the postwar program adopted in 1943 and 1944. The only reason that certain projects haven't been put to contract now is because we haven't had the funds to do it.

MR. RALPH DILLS: But why did you take projects in 1946 and 1947 and give them priority when in 1944 you approved as critical certain projects, and still have not begun on them?

MR. BAKER: They were all critical and all in the same list. One project had to be done first, and then some other project had to be done later, and the 33 you had there are the 33 in the last year of the postwar program, but we are not letting any other program or projects come in ahead of that list, because we regard it as an adopted program, and must be carried out, and a very critical list of projects.

MR. RALPH DILLS: You are satisfied with it, Mr. Baker? May I ask you one other question: You stated that the revenue that you have available for new construction is approximately $28,000,000?

MR. BAKER: That is our best estimate on an average over the next 10 years.

MR. RALPH DILLS: And based upon the gas tax revenues?

MR. BAKER: That is based upon our various sources of estimated revenue.

MR. RALPH DILLS: Isn't it primarily the gas tax?

MR. BAKER: That is the backbone of our revenue.

MR. RALPH DILLS: Isn't it a fact that that $28,000,000 is based on an estimate of the revenues of 1941?

MR. BAKER: No, they are projected on a 10-year estimate, beginning with the year 1947, and running through the year 1957.

MR. RALPH DILLS: Yes, but you are talking in terms of a 10-year program and $28,000,000, or a total of $280,000,000, isn't that what you said?

MR. BAKER: That's right.

MR. RALPH DILLS: Well, are you aware that if you accept that figure, you are certainly not following through with respect to the actual revenue? Now, I have in my possession a release from the State Board of Equalization which states that the total tax for the first eight months of this year—that is, 1946—was $51,797,840, in contrast with an average of

only $32,425,000, for the same period in 1943 and 1944, years in which rationing was in effect throughout.

If the gasoline tax continues this trend developed thus far through the remainder of 1946, the total yield of practically $78,000,000 may be anticipated, making a gain of $10,000,000 or $15,000,000 over the tax for 1941, in the highest previously recorded year, so if you are using a $28,000,000 figure, you are about $50,000,000 off each year, aren't you?

MR. BAKER: No, I would like to explain The gas tax last year, one cent produced approximately $23,000,000, and one cent gas tax on your state tax, one cent will produce $24,800,000

This projection I gave you, an estimate of $280,000,000, projects an increase in revenue from the gas tax, commencing in 1947 with an estimate of $24,800,000, and ending in 1957 with an income of one cent from taxes, of $29,800,000, so we have anticipated a progressive increase in the receipts from the gas tax based on the tax increment during the current year of $24,800,000. That is sometimes up from that point

MR. RALPH DILLS: Well, I think we will be in a position to analyze those statements a little later.

Did I understand you to say, Mr. Baker, that you had about a $100,000,000 that you did let in the year 1946, about $100,000,000 in it?

MR. BAKER: I say in two years The first year in the postwar, in September of 1944—between September of 1944 and July of 1945, we let about $44,500,000 worth of projects to contract out of the postwar program.

Beginning in July of 1945, to June 30th of last year—1946—we let the contracts for about $52,000,000—somewhere about $52,500,000, making about $98,000,000 let in the two years after V-J Day.

MR RALPH DILLS: Now, did you say that because of the increased cost, that it would actually cost you about $150,000,000 instead of approximately $98,000,000 to do the work?

MR. BAKER: No, I said, when we first started to estimate the cost of our postwar program—for example, during the war our cost necessarily was based on the best information available, and we estimated a program of projects that would cost about $120,000,000. We find now that that same group of projects is going to cost in the neighborhood of $160,000,000.

MR. RALPH DILLS: Well, then, if we were, for instance, to delay as long as you have delayed—in other words, from January 20, 1944 until today, on what were so-called critical highways, if we delayed possibly a year or two, wouldn't we be able to get maybe $40,000,000 or $50,000,000 worth of highways built for the same money?

MR. BAKER: I am not as good a fortune teller to forecast in the future as to what costs may be.

Say that inside of two years, you were going to be able to build highways for 60 percent of what you can build them today, and personally, I don't think that we should—the Highway Commission hasn't any business speculating with highway funds—I think our job is to put the funds that are given the commission to work with to beneficial use promptly in keeping an adequate highway system operating.

MR. RALPH C DILLS: I think that is a commendable statement, Mr Baker; as legislators, however, we have to look at the question of whether or not we are getting anywhere in our dollar value. We have to vote the

money for you to go ahead and spend, and that is, of course, a matter of policy we have to determine.

May I ask you this, Mr. Baker, do you feel that the Legislature is competent to determine the places in this State—the highways, the freeways, and the other expressways, and all of the roads and bridges that have to be built—do you think this body is competent to determine where those should be built and could be built?

MR. BAKER: I don't think it is a fair burden to put on the Legislature, to familiarize the Legislature with that problem would take a tremendous amount of time, and is really a job of specialized departments, working and spending their time on nothing but highway problems, which is a big part of the administration, and requires intensive study and requires continuous operation.

MR. RALPH DILLS: Yes, what is your occupation, Mr. Baker?

MR. BAKER: Personally I am the president of a real estate firm in Pasadena.

MR. RALPH DILLS: And I assume that in order to keep the wolf from the door, you are working at that occasionally?

MR. BAKER: Yes

MR. RALPH DILLS: Is that right?

MR. BAKER: Yes.

MR. RALPH DILLS: Then the question in my mind is that if we who are elected to come up here for annual sessions wouldn't be competent to devote enough time to this problem, how can you and your other members of the commission devote the time to it?

MR. BAKER: I might explain that in this way. That is the one problem we have under consideration constantly, and it is not that the Members of the Legislature couldn't do it if they would devote the same time and thought and effort to it, but I know from observation, that the Legislature has a multitude of problems and a great diversity of things affecting the State, and I think you would have a little more than you could handle, which can be handled far more effectively by the department.

MR. RALPH DILLS: It is then a fact that your Highway Commission must rely very heavily on the Highway Department for the reports and for the surveys and those that are critical projects and the actual seeing which one of these things are needed—you must rely on them quite heavily, mustn't you?

MR. BAKER: We rely to a large extent on those reports, but we supplement those with hearings or supplementing the projects and hearing interested parties and public officials, and making an examination on the ground in the areas

MR. RALPH DILLS: How often would you say as an average your commission meets?

MR. BAKER. We have meetings depending on what time of year it is and what the pressure of the work is We have a regular meeting in Sacramento once a month, additional meetings when the work requires it.

MR. RALPH DILLS: Do you feel that that gives you enough time to make you and the other members of the Highway Commission competent to pass upon a 10-year program?

MR. BAKER: It has been my observation that the commission has worked satisfactorily on the general policy and management of the

department, and I will say that in laying out this state-wide postwar program, which affected nearly every county in California, which covered a period of years, that the commission has had very little criticism as to the equity and need, and urgency of the projects, and fairness in the different parts of the State.

MR. RALPH DILLS: I don't mean to imply that anyone has criticized you, and I don't want to leave you with that impression. Are there five men on your commission?

MR. BAKER: There are six members, plus the director, which makes seven.

MR. RALPH DILLS: That is, those men plus the very department that helps you on it, do you think we would be in a position to have a closer touch with this situation than perhaps your six men could? I would like any remark that you have, or you would like to address to that.

MR. BAKER: I think I replied earlier that with the diversity that each Legislature has on the problems they consider, it makes it extremely difficult to make any more for them by having the management of the Highway Department, and I want to make that point—I want to emphasize that particularly—building roads isn't like going out and building one structure—when it is completed, it is finished.

Building a highway system is a good deal like operating a railroad, it is essential to keep it working, and you must have a long-range program. You can't just build a section of a road and stop, because the minute you do that, you create new problems in the next section of the road, and you just can't have a piecemeal highway budgeted program from year to year. There must be a continuity of policy, and a long-range policy, and I might just explain this: In these larger projects it takes us long, or longer, to do the engineering and acquire the right of way, and in some cases, it takes twice as long to do that, as it actually does to construct the highway. The acquisition of the right of way extends very often over a period of several years, before you can actually start construction so that there must be an over-all program that extends beyond one year's time.

MR. THOMAS: I move that we adjourn, Mr. Chairman.

MR. RALPH DILLS: But I still have a question here. We have statements from Mr. Purcell and Mr. Petree how they felt toward construction costs, whether they would stay as they were now, or whether you believe that they will decline, or whether they will stay at the high figure that they are now?

MR. BAKER: As to whether costs will hold at their present level or not, that is speculative, I don't know, and I don't think that is possible to cite here. They may stay, or they may be up in 10 years.

MR. EVANS: Or down in 10 years.

MR. BAKER: As to the advisability to wait for a low year, to throw in this work then, that is a matter of policy. I don't think you can build a highway system in that way. I think you have got to have a long term program, and over that period of time, you may get a high year, and you may get a low year in costs, but over a period of time you will build a system at an over-all cost over the period, and a system should be built over a period of time, because if you wait for a low year and then jam in a lot of engineering and acquiring of right of way you would

have to do twice the program in that low year, and you will have waste motion that will off-set your construction costs.

MR. RALPH DILLS: Well, do you feel in Senate Bill No. 5, or rather in this program, that outside of the amount of money to be raised, and how little to be raised, there is anything else in that bill outside of that one question?

MR BAKER: Well, of course there is quite a disagreement of other applications in the bill that are affecting the whole operation of the system.

MR. RALPH DILLS: But really the bill is just to raise money, and you agree to that—the bill is just to raise money and how to raise it?

MR. BAKER: Of course the bill goes far beyond that, Mr. Dills, there are other provisions in there. The bill is not a state highway bill, it is a state, county, and city measure, and it is an over-all highway program, and it affects cities, and counties entirely apart from the State, and it also has certain provisions in there for operating in certain ways that go beyond just providing revenues.

MR. RALPH DILLS: Do you believe that the program should designate the type of construction that should be put in the contract, whether it should be a two or four lane, or a divided highway?

MR. BAKER: Except for the over-all expressways system, outlined in the Kennedy Report, I don't think it is a problem to freeze into a bill what highway should be so many lanes wide, or something like that, I think that is an engineering problem, depending on congestion of traffic, and there must be latitude in those matters.

MR. RALPH DILLS: Well, do you understand that before this bill is passed and carried out that maybe the Legislature in the next four or five years, or 10 years, could change that—say we passed the bill, and the next Legislature two years from now, or four years from now, might be able to change that. Where would we be then?

MR. BAKER: Well, I think that is a matter for the Legislature whenever they meet. They have probably at each session the right to amend the highway bill or make what changes they feel should be done for the benefit of it.

MR. RALPH DILLS: Then you feel that if we did pass this bill, that maybe four years from now, that at that time they could amend and change it like they want it?

MR. BAKER: Well, that is my thought In other words, I don't think you are trying to sit here 100 percent for 10 years and then say you are going to pass a bill and say it is inviolate for 10 years. After all, you have to use some common sense, and some judgment as the program develops, and that is the reason the Legislature meets at intervals, to try to watch the progress of public affairs, and certainly you don't want to put the highway system in some category from other kinds of legislation.

MR. RALPH DILLS: Well, Mr Thomas has asked me to put his question in here: Suppose we authorized that enormous amount of money, and the next session of the Legislature comes along and cuts it, then in what position will you be in then?

MR. BAKER: Well, I think the answer to that is we are bound not to let contracts, and that is one thing we have been somewhat criticized for, we are bound not to let contracts unless we have either the available

funds on hand, or have the funds in sight during the ensuing Fiscal Year, and that estimated income is approved by the Department of Finance, so we either have to have the funds during the year to pay for the contracts before we advertise, or have them so that we can get committed on a long-range program, of contracts available to the department for the year.

MR. CHARLES M. WEBER: What about the land? If the Legislature removed the money at any particular biennium, if you still had control of the land, would that be desirable, through either set-back, or through possession?

MR. BAKER: Well, Mr. Weber, I think that where of course we have acquired and paid for it or gotten it through the right of eminent domain proceedings, we would still have the right of way, but the advantage of a long-range program is that it would permit us to work with county planning commissions, local authorities, and lay out a master system of highways that they could cause subdistricts to conform when they come in there and establish set-back lines, and building in a set-back line; if we did not, we would have to go in a few years from now and buy land at maybe two or three times the right of way we could have gotten previously. Where we have the lay-out a few years ahead, we can save a tremendous amount of money in right of way cost accumulation.

MR. GLENN M. ANDERSON: You are one of the members of the commission that is from the southern part of the State, and also, I believe you are the only one from Los Angeles County?

MR. BAKER: That's right.

MR. ANDERSON: Now, are you satisfied with this appraisal wherein Los Angeles County alone will raise around $697,000,000 around Los Angeles County, and $327,000,000 will go elsewhere. Are you agreed with that?

MR. BAKER: I don't think Los Angeles is ever satisfied. On the other hand, that is a better break than we have had for a great number of years. I think if you look over the figures. Los Angeles has produced some $670,000,000 for the highways, and $77,000,000 has been spent on them. I think that they are entitled in that great congested area to a more equitable distribution of construction projects, but when you say they are going to be satisfied, nobody is ever satisfied with a highway program.

MR. ANDERSON: Well, you hear of a 60-40 split. Is that in accord with the views of the commission in building these highways in the different parts of the State?

MR. BAKER: I'd like to answer that, Mr. Anderson.

The commission feels this way about that type of a question. That is a matter of policy for the Legislature to decide. If they think that the money should be spent 50-50, north and south, that is a legislative problem. We can give them the facts as to the needs and so forth, but once the Legislature determines that policy, we have to budget our funds over the year that way, so that at the end of the year the correct percentage has been spent in the north, and the correct percentage in the south. We are bound by that.

MR. ANDERSON: But this deficiency program that was given to you by the department, set up where we are able to get 42 percent, instead of 60 percent. Now did your commission have anything to do with that particular deficiency program, did you check that or not?

MR. BAKER: No, I want to explain that. That deficiency program that you have is submitted to the Legislature, and was prepared in November of 1946. It was prepared by the engineers and technical staff of the department. It has never been passed upon by the commission as a program, and as I understand it, is simply a list of the deficiencies in the highway system, and doesn't purport to be a recommendation of the commission to a program.

MR. ANDERSON: But then it is a recommendation from the Highway Department as the program we probably should adopt and then if the members of your commission say the Legislature should adopt the program—and you are referring to this program, aren't you?

MR. BAKER: Personally, I wouldn't want to sit here and state to the Legislature that it should adopt that critical list as a program because I haven't passed on it—the commission hasn't passed on it. It is not a program. It is simply the engineering staff's examination of the system, and a list of what they regarded as critical.

MR. ANDERSON: Didn't they call those in to recommend the areas where bottlenecks and things like that occur?

MR. BAKER: If we were making a program, we will use a critical list like that as a basis from which to select a program of projects which are outlined in the official program of the commission, but what you have in your hand there is not the adopted program of the Highway Commission. It is a list of projects that are determined to be critical by the engineers.

MR. ANDERSON: Now, there is another policy then that I would like to get the commission's views on—that is the public utilities—do you think the moving of these utilities, or do you think they should stand the loss to them? Now, it is my understanding that the policy of the department is that these utilities pay for the total cost of moving them. What is the commission's thought?

MR. BAKER: That problem has never been submitted as a matter of policy to the commission. Our general policy, as I understand it, is just the same as it is with the taking of right of way from any other property owner If the utilities have a legal right to the property, they can be compensated for under the eminent domain proceedings in court. The utility is compensated under a court award like any other property owner, but as to going out and paying a utility for moving a pipeline on an existing public highway presents some other problems that have nothing to do with the access to the private property rights, but the commission has never acted on that.

MR ANDERSON: So then the commission hasn't taken any policy on that?

MR. BAKER: That's right.

CHAIRMAN HOLLIBAUGH: Mr. Thomas

MR. THOMAS: I move that we adjourn, and that the commission be here again tomorrow at 2 o'clock.

CHAIRMAN HOLLIBAUGH: Well, I don't know whether they will be available or not.

MR. THOMAS: What do you mean? They are commissioners, aren't they? They will be available.

MR. BAKER: I will stay here and give you any information you wish.

CHAIRMAN HOLLIBAUGH: However, it is up to the commission and if these gentlemen wish to stay over. Mr. Warlow?

MR. CHESTER H. WARLOW: I have just been three weeks out of the State in the East, and it was at considerable inconvenience that I came up here today. I have only been in California one day, and if possible I would like to get home. I don't know that I can add anything to what Mr. Baker has said. He has discussed the matter very thoroughly, and if it is the committee's pleasure that I remain, I would like to have the pleasure of doing so.

CHAIRMAN HOLLIBAUGH: Mr. Warlow, you men were asked to come here. It wasn't compulsory, and we appreciate your coming, but if Mr. Baker would care to stay another day and be here again, we would be glad to arrange it. Mr. Evans had a question he would like to ask—Mr. Evans?

MR. JOHN W. EVANS: I believe the committee, with all deference to Mr. Baker, who has attempted today to give us most of his time, and as much time as we would like tomorrow—we have been in session for four hours, and I believe that any person that takes the commission in this State can stay over and listen to the arguments on this bill, and my opinion is, if Mr. Warlow, a member of the commission, can make releases to the newspapers as to his position in this matter, and then say them as a member of the commission. Well, Mr. Warlow, we don't want to impose upon you, but you should be here tomorrow afternoon at 2 o'clock and let us fight out the releases, and I certainly believe that Mr. Warlow could give us the courtesy of his time for another day.

MR. THOMAS: I believe with my good friend Mr. Evans, Mr. Warlow was not subpenaed and this committee didn't take any action of subpenaing anyone. In all fairness, we can't demand that these men appear, unless the chairman takes regular action to have subpenas issued—

MR. WARLOW. In all fairness to you gentlemen, and as a citizen of California, and a member of the Highway Commission—

MR. EVANS: I will move at this time that Mr.—

MR. RALPH DILLS: I think that you are all out of order.

CHAIRMAN HOLLIBAUGH: I don't think that is necessary. I think Mr. Warlow will probably appear.

MR. WARLOW: I would be pleased to be here right tonight and testify, but if it is the pleasure of your committee that I come tomorrow, I will have to accept your convenience.

MR. THOMAS: As a member of the Revenue and Taxation Committee, I don't think it is proper. I am being very honest with this, that any witness should be called before this committee should not be harassed. I believe the committee is looking for information, and I am sincere about my statements. If we are going to get in the question of lobbying and everything else, I would like to be excused if that is the reason for calling the witness to the stand.

MR. SHERWIN: I believe that the committee should adopt some kind of a policy, as with the policy with Senate Bill No. 5, I say let's keep out examination of witnesses within the purvey of No. 5. It covers almost the entire field of taxes, and I say that we should all come back this eve-

ning if it will accommodate any witness. We haven't supenaed any witness. We haven't advised them what we are going to examine them on.

MR. GEDDES: I second the motion that we adjourn. It isn't an able question, and in view of the fact that this committee has not adopted a policy as to the questioning of witnesses. I agree with Mr. Thomas that I am going to suggest that we are going into an executive session and determine what we are going to do, but to second the motion to adjourn.

CHAIRMAN HOLLIBAUGH: I didn't hear your motion. I would like to clarify some things here before we go any further. I sent out these letters notifying these men who have appeared and some more who are going to appear. We are going to have these meetings and they were done at the suggestion of the Speaker of the Assembly. In order to save time and to save the witnesses coming back again, we have been considering all these highway bills at one time. Now, we didn't ask any of these witnesses to come here to be embarrassed, or to cause them any inconvenience, and I think we are grateful for every one, because it is informative to us, and we will have to act on these bills. However, what you do in the future is up to the committee.

MR. WEBER: I think the committee as a whole will be glad to leave it to you to have the witnesses here.

CHAIRMAN HOLLIBAUGH: Then I recognize the second to adjourn. Are you ready for the question? All in favor?

MEMBERS OF THE COMMITTEE: Aye.

CHAIRMAN HOLLIBAUGH: Contrary? (No response.) So ordered.

(Thereupon the committee hearing recessed at 5.50 p.m.)

REPORTER'S CERTIFICATE

This is to certify that I, Harold Krabbenhoft, a stenograph reporter, was present at the time and place the foregoing proceedings were had and taken before Assemblyman Hollibaugh, Chairman of the Assembly Committee on Revenue and Taxation, in the Assembly Chamber of the State Capitol at Sacramento, California, on Wednesday, March 5, 1947, and that as such stenograph reporter did report the aforesaid proceedings on the stenograph machine, and afterwards caused the said stenograph notes to be reduced to longhand typewriting, and the foregoing proceedings beginning at the top of page 1, to and including line 23 of page 126 hereof, constitutes a full, true, complete, and accurate transcription of the aforesaid procedings.

Dated this tenth day of March, 1947.

HAROLD KRABBENHOFT, Reporter

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Mr. Loomis, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to former Assemblyman Albert King of Oroville.

On request of Mr. Thurman, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Fred Garrison, Robert Paine, Harleth Brock of Nevada City and Howard E. Bennetts of Grass Valley.

On request of Mr. Brady and the San Francisco Delegation, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to M. C. Herman, Edward Neron, Louis V. Starr, Charles Ash, and F. H. Gonsalves of Veterans of Foreign Wars.

On request of Mr. Rosenthal, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Dr. Raymond Rasso of Los Angeles.

ADJOURNMENT

At 11.18 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 10 a m., Thursday, March 13, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

TWENTY-SEVENTH LEGISLATIVE DAY
SIXTIETH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Thursday, March 13, 1947

The Assembly met at 10 a m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Cooke, Crichton, Crowley, Lester T. Davis, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Lucke, Lyons, Maloney, McCollister, McMillan, Miller, Nicholson, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Waters, Weber, Wollenberg, and Mr. Speaker—74.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

The earth is full of the mercy of the Lord, the heavens were established by the word of His mouth, let us beg of the Lord the grace to act according to His plan, and for mercy toward our failings, through Christ Our Lord—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Dolwig, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. Cramer, on motion of Mr. Dickey.

The following members were granted leaves of absence for the day, because of legislative business elsewhere:

Mr. M. Philip Davis, on motion of Mr. Butters.

Mr. Conrad, on motion of Mr Hollibaugh.

The following members were granted leaves of absence for the day, and desired to waive their per diems:

Mr. Debs, on motion of Mr. McMillan.

Mr. Thurman, on motion of Mr. Grunsky.

RESOLUTIONS

The following resolutions were offered:

By Mr. Dickey:

House Resolution No. 29

Resolved, That the Controller be and he is hereby authorized to draw his warrants on the Contingent Fund of the Assembly in favor of the persons or firms listed below and for the amounts of money set opposite their respective names, and as itemized below, and the State Treasurer is hereby authorized and directed to pay the same

Bureau of Purchases (supplies)	$280 10
Bureau of Purchases (supplies)	306 50
Department of Finance (carpenter work)	62 18
Department of Finance (desk lights and alterations)	193 85
Department of Finance (pro-rate cost telephone service)	91 74
H. S. Crocker Company (supplies)	13 94

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 29, at this time, without reference to committee or file.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Allen, Anderson, Berry, Blosser, Boyd, Brown, Burke, Burns, Caldecott, Clarke, Collier, George D. Collins, Cooke, Crichton, Crowley, Lester T. Davis, Dickey, Ralph C. Dills, Dolwig, Erwin, Field, Fletcher, Gaffney, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, Price, Robertson, Sherwin, Sillman, Stanley, Stephenson, Stewart, Thomas, Thorp, Waters, Weber, Wollenberg, and Mr. Speaker—59.

NOES—None.

By Messrs. Grant, Fletcher, Stewart, and Anderson:

House Resolution No. 30

Relative to William E. Hinshaw

WHEREAS, The Members of this Assembly have learned with profound shock and regret of the death of William E Hinshaw on March 8, 1947; and

WHEREAS, William E Hinshaw had reached the venerable age of 78 years, and during his long life, in which he organized and developed many successful business enterprises, he was also unusually active in the civic affairs of his community and devoted many years to public service; and

WHEREAS, During the years 1926 to 1940, William E. Hinshaw served as Mayor of Signal Hill, California, during which time he was well known to his then fellow mayors Carl Fletcher, A I. Stewart, and Glenn Anderson who are now Members of this Assembly and enjoyed many years of pleasant and cooperative service with William E. Hinshaw in the League of California Cities; and

WHEREAS, In 1910 William E Hinshaw was elected to the Assembly of the State of California where he served ably and inspired among his colleagues warm friendships which endured throughout his life; now, therefore, be it

Resolved by the Assembly of the State of California, That the Members of this Assembly hereby express on behalf of the people of the State of California deep appreciation for the long years of public service of William E. Hinshaw, and their own personal sorrow in the loss of an esteemed friend; and be it further

Resolved, That the Chief Clerk of the Assembly transmit to Mrs. Dottie Turner Hinshaw, widow of William E Hinshaw, suitably prepared copies of this resolution as an expression of their esteem for William E Hinshaw and their deep sympathy for her in the loss of her husband; and be it further

Resolved, That when this Assembly this day adjourns it do so out of respect to the memory of William E. Hinshaw.

Request for Unanimous Consent

Mr. Grant asked for, and was granted, unanimous consent to take up House Resolution No 30, at this time, without reference to committee or file.

Resolution read, and adopted unanimously by a rising vote.

EXPRESSION OF APPRECIATION

Mr. Maloney acknowledged receipt of a letter from Mr. C. Lyn Fox, news representative of the San Francisco *Call-Bulletin*, addressed to Members of the Assembly. Mr Fox expressed his appreciation of the best wishes for his recovery accorded him, by letter, from Speaker Collins on behalf of the Members of the Assembly.

COMMUNICATIONS

By Speaker Collins:

A resolution from the Eureka Women's Club, relative to a complaint about "Building America" textbooks and urging a legislative investigation, was received, and referred to the Committee on Governmental Efficiency and Economy.

RESOLUTIONS

The following resolution was offered:

By Mr. Thomas:

House Resolution No. 31

Relative to the sale of copies of records by the Department of Motor Vehicles

WHEREAS, The Department of Motor Vehicles, through its director, has for some time been engaged in selling copies of its entire list of names and addresses of registered owners; and

WHEREAS, It is understood that certain buyers of said copies have reaped tremendous profits therefrom; and

WHEREAS, The State should receive for such information an amount more commensurate with its value; now, therefore, be it

Resolved by the Assembly of the State of California, That the Department of Motor Vehicles is requested to require the payment of at least twenty-five thousand dollars ($25,000) for complete lists of names and addresses of registered owners of vehicles; and be it further

Resolved, That the Chief Clerk of the Assembly is directed to transmit a copy of this resolution to the Director of Motor Vehicles

Resolution read, and referred to the Committee on Rules.

REQUEST FOR UNANIMOUS CONSENT THAT ASSEMBLY BILL NO. 24 BE WITHDRAWN FROM THE COMMITTEE ON JUDICIARY, AND BE RE-REFERRED

Mr. Weber asked for, and was granted, unanimous consent that Assembly Bill No. 24 be withdrawn from the Committee on Judiciary, and be re-referred to the Committee on Conservation, Planning, and Public Works.

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following bill was introduced, and read the first time:

Assembly Bill No. 41: By Messrs Stewart, Ralph C. Dills, Geddes, Hinton, Boyd, Burke, Caldecott, Erwin, Fletcher, Grant, Hahn, Hinckley, James, Knight, Luckel, McCollister, McMillan, Miller, Robertson, Sherwin, and Thomas—An act to provide for the recruiting and training of additional members of the California Highway Patrol, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

Referred to Committee on Transportation and Commerce.

REQUEST FOR UNANIMOUS CONSENT TO USE ASSEMBLY CHAMBER FOR MEETING

Mr. Hollibaugh asked for, and was granted, unanimous consent that the Committee on Revenue and Taxation be permitted to use the Assembly Chamber, at 2 p.m., today, for the purpose of holding a meeting.

RESOLUTIONS

The following resolution was offered:

By Messrs. Allen, Cramer, Cooke, Luckel, and Mrs. Niehouse:

House Resolution No. 32

Relative to Major General John Henry Russell

WHEREAS, The long and distinguished career of Major General John Henry Russell, U.S.M.C., came to an end with his death on March 6, 1947, at the age of 74 years; and

WHEREAS, John Henry Russell was born at Mare Island, California, on November 14, 1872, and was graduated from the United States Naval Academy in 1892, when he embarked upon a brilliant career as an officer and diplomat in the service of the United States, serving in the Spanish American War, World War I, and several Marine Corps expeditionary campaigns, receiving many awards for distinguished service, including the Navy Cross, the Distinguished Service Medal, and the Haitian Medaille Miltaire; and

WHEREAS, He was appointed by President Harding American High Commissioner with the rank of Ambassador at Port-au-Prince, Haiti, from 1922 to 1930; and

WHEREAS, In March 1934, General Russell was appointed Commandant of the Marine Corps, and devoted his great energies and talents to the administration of the corps, strengthening and improving its organization, creating the magnificent Fleet Marine Force which played such a vital role in winning the war in the Pacific; and

WHEREAS, For 10 years General Russell had been military analyst for the *San Diego Union*, even during his illness continuing to prepare his weekly analysis; now, therefore, be it

Resolved by the Assembly of the State of California, That the Members of this Assembly express profound regret upon the death of Major General John Henry Russell, and pay a final tribute to this great soldier who throughout his life upheld the best in the traditions of America and of the United States Marine Corps; and be it further

Resolved, That the Chief Clerk of the Assembly transmit suitably prepared copies of this resolution to the family of General Russell: To his widow, Mrs. Mabel Russell, his daughter, Mrs. Charles H. Marshall, and to his grandson, Anthony Marshall; and be it further

Resolved, That when the Legislature this day adjourns it do so out of respect to the memory of Major General John Henry Russell, U.S.M.C.

Request for Unanimous Consent

Mr. Allen asked for, and was granted, unanimous consent to take up House Resolution No. 32, at this time, without reference to committee or file.

Resolution read, and adopted unanimously.

REQUEST FOR UNANIMOUS CONSENT THAT LETTER AND REPLY TO QUESTIONS IN THE LETTER BE ORDERED PRINTED IN THE JOURNAL

Mr. Ralph C. Dills asked for unanimous consent that a letter he wrote to Senator Collier and the reply from Senator Collier to the questions in his letter, relative to the state highways, streets, and bridges program, be ordered printed in the Journal.

By order of the Speaker the request was referred to the Committee on Rules.

MOTION TO PLACE RUSH ORDER ON PRINTING OF ASSEMBLY BILL NO. 41

Mr. Stewart moved that a rush order be placed upon the printing of Assembly Bill No. 41.

Motion carried.

ANNOUNCEMENT OF COMMITTEE MEETINGS

It was announced that the following committees would hold meetings:

Upon adjournment—

Rules.

At 2 p.m., today, in the Assembly Chamber—

Revenue and Taxation.

At 2.30 p.m., today, in Committee Room—

Conservation, Planning, and Public Works.

At 3 p.m., today, in Committee Room—

Transportation and Commerce.

Subcommittee of Ways and Means (on Public Health).

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Mr. Maloney, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Mr. and Mrs. Lloyd Hamlon of Washington, D.C.

On request of Mr. Allen, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Mrs. George Crosby Murray and Miss Olive Babette Erdt of Hollywood.

On request of Mr. Clarke, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Hugh Griswald and Claude Adams of Merced.

ADJOURNMENT

At 10.37 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 10 a.m., Friday, March 14, 1947, out of respect to the memory of the late William E. Hinshaw, and Major General John Henry Russell.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

TWENTY-EIGHTH LEGISLATIVE DAY
SIXTY-FIRST CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Friday, March 14, 1947

The Assembly met at 10 a.m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D Collins, Conrad, Cooke, Crichton, Crowley, Dickey, Clayton A. Dills, Dolwig, Dunn, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stephenson, Stewart, Thomas, Thompson, Thorp, Waters, Weber, and Mr. Speaker—66.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

O Lord, repay us not according to the sins we have committed, nor according to our iniquities. O Lord, remember not our former transgressions, but let thy mercies speedily come to us, for we have become exceedingly poor. Help us, O Lord, Our Savior; and for the glory of Thy name deliver us and forgive our sins—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Grunsky, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following members were granted leaves of absence for the day, because of illness:

Mr. Cramer, on motion of Mr. Waters.
Mr. Ralph C. Dills, on motion of Mr. Waters.

The following members were granted leaves of absence for the day, because of legislative business elsewhere:

Mr. Erwin, on motion of Mr. Dickey.
Mr. Doyle, on motion of Mr. Dickey.
Mr. Heisinger, on motion of Mr. Dickey.
Mr. Lester T. Davis, on motion of Mr. Lowrey.
Mr. McMillan, on motion of Mr. Geddes.
Mr. M. Philip Davis, on motion of Mr. Butters.
Mr. Thurman, on motion of Mr. Grunsky.

The following members were granted leaves of absence for the day, and desired to waive their per diems:

Mr. Miller, on motion of Mr. Kirkwood.
Mr. Debs, on motion of Mr. Fletcher.
Mr. Stanley, on motion of Mr. Price.

COMMUNICATIONS

By Speaker Collins:

A communication from H. Rodger Howell, Jr., of Santa Ana, relative to a request from him as a veteran, for a copy of the 1946 Edition of "Witkin's Summary of California Law," was received, and will be answered by the Speaker.

By Speaker Collins:

The following communication was received, read, and ordered printed in the Journal:

THE CALL BULLETIN
SAN FRANCISCO 19, CALIFORNIA, March 11, 1947

Hon. Sam L. Collins, Speaker California State Assembly
The Capitol, Sacramento, California

DEAR SAM: Thanks for your letter and the thoughtful action of the Members of the Assembly. Please thank them all for me. I hope that they really enjoyed my story—those who had time to read it.

I am looking forward to getting out of the hospital and back on the job up there. I hate to be losing out on anything, but I reckon you'll all be there for some time yet. I expect to join you in the next two weeks or so and hope to be as good as new, or a reasonable facsimile thereof.

Thanks again for your letter.

Sincerely

C. LYN FOX

RESOLUTIONS

The following resolution was offered:

By Messrs. Lowrey and Sam L. Collins:

House Resolution No. 33

Relative to commending I. F. "Crip" Toomey

WHEREAS, I. F. "Crip" Toomey, Director of Athletics at the University of California College of Agriculture at Davis, has worked diligently to bring the students under his direction to such a degree of excellence in their performance in the various sports carried on at the College of Agriculture that they should successfully participate in intercollegiate competition; and

WHEREAS, Collegiate boxing is one of those sports taught at the College of Agriculture at Davis, and is one of the finest forms of amateur athletics, requiring of participants great speed, courage, and skill in boxing, and demanding from participants and spectators alike the highest degree of sportsmanship and fair play; and

WHEREAS, Largely through the efforts of I. F. "Crip" Toomey, the first postwar Pacific Coast Intercollegiate Boxing Tournament was held in Sacramento on March 12 and 13, 1947, drawing the highest attendance for such a tournament since 1929; now, therefore, be it

Resolved by the Assembly of the State of California, That I. F. "Crip" Toomey is hereby commended upon the splendid manner in which he has carried on the program of athletic training at the University of California College of Agriculture at Davis, teaching clean athletics and sportsmanship, always striving to attain the greatest benefit for the welfare of the individual participants in the sport rather than to achieve mere personal glory or publicity, and he is congratulated upon the success of the splendid Pacific Coast Intercollegiate Boxing Tournament just concluded, and upon bringing this fine, clean sport back to a position of prominence in this area; and be it further

Resolved, That the Chief Clerk of the Assembly is directed to transmit a suitably prepared copy of this resolution to I. F. "Crip" Toomey

Request for Unanimous Consent

Mr. Lowrey asked for, and was granted, unanimous consent to take up House Resolution No. 33, at this time, without reference to committee or file.

Resolution read, and adopted unanimously.

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following resolution was offered:

Assembly Joint Resolution No. 6: By Messrs. Wollenberg, Maloney, Blosser, O'Day, Brady, Berry, George D. Collins, and Gaffney —Relative to memorializing Congress to grant to the State of California acreage in the Presidio of San Francisco for establishing the new San Francisco State College.

Referred to Committee on Rules.

REQUEST FOR UNANIMOUS CONSENT TO USE ASSEMBLY CHAMBER FOR MEETING

Mr. Hollibaugh asked for, and was granted, unanimous consent that the Committee on Revenue and Taxation be permitted to use the Assembly Chamber today, at 2 p.m., for the purpose of holding a meeting.

REPORTS OF STANDING COMMITTEES

Committee on Rules

ASSEMBLY CHAMBER, SACRAMENTO, March 14, 1947

MR. SPEAKER: Your Committee on Rules, to which was referred:

Assembly Joint Resolution No. 5

Has had the same under consideration, and reports the same back with the recommendation: Be adopted.

DICKEY, Chairman

Above reported resolution ordered engrossed.

ASSEMBLY CHAMBER, SACRAMENTO, March 14, 1947

MR. SPEAKER: Your Committee on Rules, to which was referred:

Request from Mr. Ralph C. Dills that a letter he wrote to Senator Collier and the reply from Senator Collier to the questions in his letter relative to the state highways, streets, and bridges program be printed in the Journal;

Has had the same under consideration, and reports the same back with the recommendation: Be printed in the Assembly Daily Journal

DICKEY, Chairman

Above reported communications ordered printed in the Journal.

COMMUNICATIONS RELATIVE TO STREETS, HIGHWAYS, AND BRIDGES PROGRAM

Letter From Hon. Ralph C. Dills to Senator Randolph Collier

February 8, 1947

Honorable Randolph Collier, Chairman
Joint Fact-Finding Committee on Highways, Streets and Bridges
Fifty-seventh (First Extraordinary) Session
California Legislature, State Capitol Building
Sacramento, California

DEAR SENATOR COLLIER:

The Democratic Members of the Assembly in caucus designated Assemblymen Francis Dunn, Lloyd Lowrey and me to familiarize ourselves with the whole highway program and report back to them for the reconvening of the extraordinary session. In order to comply with this request and to be prepared to understand the pending legislation, I am anxious to receive the following information:

1. A statement of any balance of money on hand in any and all accounts that can be used for any highway work including maintenance, administration, planning or construction as of July 1, 1947. This statement should include federal, state highway, city, and county funds.

2. Estimate of income by years from July 1, 1947 to June 30, 1959 on basis of present tax laws; estimate to be on basis of gross amount with collection and administration costs shown separately where net amounts are required to determine amount available for highway purposes. The statement to be by following items:

(a) Gasoline Tax
(b) Use Fuel Tax (Diesel)
(c) 1¾ percent in Lieu Tax
(d) Registration Fee ($3)
(e) Weight Fees (Sec. 372, M.V.C.)
(f) Caravan Fees
(g) Transportation Tax (3 percent)
(h) Federal Aid
(i) Other Incomes
(j) County Highway Tax—and other funds estimated for highway purposes
(k) City revenues same as above for Counties

3. Show allocation of revenue estimated under Item 2 above on basis of present laws. The funds allocated to the Division of Highways should be broken down to show the amount available for maintenance, administration, planning and new construction. If the statement for state highways will include those highways in cities these facts should be shown.

4. Estimate of income that will be produced under proposed legislation recommended by Senator Collier's program This to include Senate Bill No. 5 and the 1¾ percent in lieu tax, caravan tax and other items of income that will be available for highway purposes and motor vehicle administration and enforcement. Show this by separate tax items such as gas tax, diesel tax, mileage tax, etc. This estimate should be by years from July 1, 1947 to June 30, 1959. Where new tax laws would become effective January 1, 1948, use present tax from July 1 to December 31, 1947.

(Note: If figures in the various reports are on a calendar year and it will involve too much work to prepare on a fiscal year basis then use a calendar year. However, all figures should be on the same basis. Should it be necessary to start with January 1, 1948, please furnish estimate for period July 1 to December 31, 1947.) All estimates should be gross receipts where net figures are needed, then show collection and administration items separately.

Estimate of Revenue Under Senate Bill No. 5

(a) Break down the estimate under Section 7351 between passenger cars, etc., and other vehicles taxed under Part 4. Show gallons and revenue by years.

(b) Show gallons and revenue under Section 8651.

(c) Under Section 9651 show number of vehicles and miles by each weight group and estimated income.

(d) Under Section 9652 show number of vehicles by each weight group and estimated income.

(e) Under Section 370 split between passenger cars, etc., and other vehicles that will be taxed under paragraph 4. Show number of vehicles and revenue.

(f) Under Section 372 show number of vehicles and revenue by weight groups.

(g) Under Chapter 3 show revenue from Articles 1 and 4.

(h) Revenue from 3 percent tax between July 1st and December 31st, 1947.

(i) Estimate of revenue from Section 381.

5. Estimate of revenue by years that will be received from local taxes or other sources for highway purposes.

(a) Counties

(b) Cities

6. Statement of allocation of funds under Senate Bill No. 5 and other proposed legislation as recommended by Senate Transportation Committee. This to be by years and to be divided between maintenance, administration, planning and construction. Show separately the amount to be allocated to expressways.

7. Statement of costs of each project set up under Senate Bill No. 5 and the approximate date when project will be started and date completed.

If there are any other facts in addition to the above which would be helpful to us, please forward them to us. Thanking you for your cooperation in this matter and trusting that I may receive this information at your earliest convenience, I am,

Respectfully yours,

RALPH C. DILLS

Answers to Questions Asked by the Honorable Ralph C. Dills, Member of the Assembly, in His Letter of February 8, 1947, to Senator Randolph Collier, Chairman

CALIFORNIA LEGISLATURE

JOINT FACT-FINDING COMMITTEE ON HIGHWAYS, STREETS, AND BRIDGES

Question No. 1. "A statement of any balance of money on hand in any and all accounts that can be used for any highway work including

maintenance, administration, planning or construction as of July 1, 1947. This statement should include federal, state highway, city, and county funds."

This question has been partially answered in our letter written February 28, 1947. To recapitulate, however, our information as to balances is summarized in Table I. Moneys available for county roads in state funds are shown in Table I. The amounts of balances in county road funds are not available at this time. On June 30, 1945, counties had $18,519,000 in their local road balances. This amounted to an abnormal balance of $11,742,000 as compared with pre-war balances. It is believed that the major part of the abnormal balance will have been spent on county roads by June 30, 1947. City balances carried in the State Highway Fund are shown in Table I but possible balances in city street funds are not shown. It is not a general practice for local governments to accumulate local funds, as property tax rates are established with reference to the following year's budget and are not designed to produce surpluses.

Balances available in the motor vehicle fuel tax fund and the motor vehicle fund are not included for the obvious reason that there will be balances in those funds at the end of any fiscal period, and the ending balances will more than offset beginning balances assuming a normal increase in revenues.

Table I

Available Balances for State and Local Highway Purposes on June 30, 1947

Division of Highways:	
Golden Gate Bridge Approach	$4,900,000
State Highways in Cities	10,269,315
Other State Highway Purposes	9,872,922 [1]
	$25,042,237
Counties:	
General Fund Appropriation (Earmarked in State Highway Fund)	$7,917,399
Postwar Unemployment and Construction Fund (road portion)	14,698,000 [2]
	$22,615,399
Cities:	
Major City Streets (Earmarked in State Highway Fund)	5,851,083
Total	$53,508,719

[1] The Division of Highways reports that this money will be obligated for projects not in their deficiency program

[2] Per estimate by Department of Finance that $302,000 in county road project claims will have been approved against the fund on June 30, 1947

Question No. 2. "Estimate of income by years from July 1, 1947 to June 30, 1959 on basis of present tax laws; estimate to be on basis of gross amount with collection and administration costs shown separately where net amounts are required to determine amount available for highway purposes."

The estimates of revenue given in the statistical tables generally cover the period from July 1, 1947 to June 30, 1957. Although we recognize that it is difficult precisely to determine a long-range program with a fixed termination date, we have been concerned primarily with the financing of a 10-year highway program. In its critical deficiency report the Division of Highways has outlined such a 10-year program for state highways. The joint committee's engineering staff also recommended a 10-year accelerated highway program, but in allocating the overall program to fiscal years the engineers concluded that the accelerated program

could not be undertaken until after July 1, 1949. As we have indicated, the joint committee did not share in this view, but rather concluded that an accelerated highway program should be undertaken immediately.

Estimated revenues from the gasoline and diesel taxes are shown in Table 2. Revenues from the "in lieu" tax are shown in Table 3. Your attention is called to the fact that the "in lieu" tax is a personal property tax rather than a highway user tax. * Under present law 80 percent of the money is returned to cities and counties after deducting administrative costs and amounts necessary to service state highway bonds. The money returned to the cities and counties is not limited to expenditure for road and street purposes. Hence, it can not be considered as revenue to be applied against the overall highway program unless a change in present law is made. (Cf. Report of Assembly Interim Committee on State and Local Taxation, January, 1947, pp. 41 and 42. See also Report of Senate Interim Committee on State and Local Taxation, January, 1947, p. 56.)

Under present law the Division of Highways receives the balance in the Motor Vehicle Fund at the end of each calendar year. However, if the balance does not equal 31¾ percent of registration, weight, and special plate fees, the difference is made up from the General Fund's share of the "in lieu" tax. The Governor's budget indicates that it will be necessary to transfer approximately $4,000,000 in this manner in February, 1949, for the calendar year 1948.

Estimated revenues from the present registration, weight, special plate, caravan and miscellaneous fees collected by the Department of Motor Vehicles are shown in Table 4. Estimated revenues from the 3 percent gross receipts tax are shown in Table 5. As you know, the proceeds of this tax go into the State's General Fund under present law. Estimated revenues from property taxes and other local sources for road and street purposes under present methods of financing are shown in Table 6. Federal Aid, assuming it will continue at pre-war levels, is shown in Table 7.

Table 2

Estimated Revenue From Motor Fuels Taxes at Present 3c per Gallon Rate
(Amounts in thousands)

	Gasoline tax				
Fiscal year	*Collections after refunds*	*Administration[1] Costs*	*Net revenue*	*Diesel tax Net revenue*	*Total[2] Net fuel tax revenue*
1947-48	$74,650	$250	$74,400	$2,474	$76,874
1948-49	76,210	250	75,960	2,550	78,510
1949-50	77,800	250	77,550	2,610	80,160
1950-51	79,375	265	79,110	2,670	81,780
1951-52	80,965	265	80,700	2,730	83,430
1952-53	82,555	265	82,290	2,790	85,080
1953-54	84,115	265	83,850	2,880	86,730
1954-55	85,675	265	85,410	2,940	88,350
1955-56	87,265	265	87,000	3,000	90,000
1956-57	89,665	265	89,400	3,060	92,460
Total 10 yrs..	$818,275	$2,605	$815,670	$27,704	$843,374

[1] Includes administration of the diesel tax
[2] Estimates of net revenue in cash available to Highway Division and counties during fiscal years. These revenue estimates are those of the Highway Division and are higher than the original estimates of our staff but are used to be on the conservative side

* Zettel, "An Analysis of Taxation for Highway Purposes in California, 1895-1946" p 57

Table 3a

Estimated Revenue From Vehicle License Fee ("In Lieu" Tax) Under Present Law

Fiscal year	*Total revenue*	*Administrative costs*	*Net revenue*
1947-48	$26,100,000	$935,000	$25,165,000
1948-49	28,093,000	1,006,000	27,087,000
1949-50	30,085,000	1,078,000	29,007,000
1950-51	31,348,000	1,123,000	30,225,000
1951-52	31,888,000	1,142,000	30,746,000
1952-53	32,422,000	1,161,000	31,261,000
1953-54	32,962,000	1,181,000	31,781,000
1954-55	33,495,000	1,200,000	32,295,000
1955-56	34,028,000	1,219,000	32,809,000
1956-57	34,554,000	1,238,000	33,316,000
Totals	$314,975,000	$11,283,000	$303,692,000

Table 3b

Distribution of Estimated Revenue From Vehicle License Fee Under Present Law

(Amounts in Thousands)

Fiscal year	*Highway bond service*	*State Highway Division*[1]	*State General Fund*	*Counties*	***Cities***
1947-48	$3,054	$3,985	$437 2	$8,844.4	$8,844.4
1948-49	2,971	4,386	437 2	9,646 4	9,646 4
1949-50	2,889	4,790	433.6	10,447.2	10,447.2
1950-51	2,814	4,985	497.2	10,964.4	10,964.4
1951-52	2,739	4,962	639 4	11,202 8	11,202.8
1952-53	2,664	4,952	767.4	11,438.8	11,438 8
1953-54	2,589	4,940	898 4	11,676 8	11,676.8
1954-55	2,514	4,934	1,022 2	11,912.4	11,912 4
1955-56	2,439	4,926	1,148 0	12,148.0	12,148 0
1956-57	2,364	4,889	1,301.4	12,380.8	12,380.8
Totals	$27,037	$47,749	$7,582 0	$110,662.0	$110,662.0

[1] The Division of Highways receives the balance of Motor Vehicle Fund at the end of each calendar year plus such amount of the vehicle license fee as is necessary to make the total received 31⅔ percent of the registration, weight and special plate fees Under our estimates the amount transferred from the Vehicle License Fee Fund to the Highway Fund will be substantial if present methods of financing are continued The budget estimate for the calendar year 1948 is $4,000,000 The State General Fund portion of the in lieu tax is reduced by the amounts transferred to the Highway Fund

Table 4

Estimated Revenue from Registration, Weight, Special Plate, Caravan and Miscellaneous Fees

(Amounts in Thousands)

Fiscal year	*$3.00 reg. fee*	*Weight fees*	*Special plate fees*	*Caravan fees—½*
1947-48	$11,160	$6,500	$118	$105
1948-49	12,012	6,847	126	112
1949-50	12,864	7,175	135	119
1950-51	13,404	7,522	140	126
1951-52	13,635	7,889	142	133
1952-53	13,863	8,197	145	140
1953-54	14,094	8,544	147	147
1954-55	14,322	8,872	150	154
1955-56	14,550	9,200	152	160
1956-57	14,775	9,605	154	167
Totals	$134,679	$80,351	$1,409	$1,363

	Miscellaneous fees [1]	*Total*	*Support of Motor Vehicle Department and Highway Patrol*	*Balance for state and local highway purposes*
1947-48	$2,622	$20,505	$13,200	$7,305
1948-49	2,781	21,878	14,208	7,670
1949-50	2,942	23,235	15,215	8,020
1950-51	3,053	24,245	15,854	8,391
1951-52	3,124	24,923	16,127	8,796
1952-53	3,200	25,545	16,397	9,148
1953-54	3,266	26,198	16,670	9,528
1954-55	3,332	26,830	16,940	9,890
1955-56	3,400	27,462	17,210	10,252
1956-57	3,466	28,167	17,476	10,691
Totals	$31,186	$248,988	$159,297	$89,691

[1] Includes transfer fees, duplicate plate fees, chattel mortgage fees, and the like collected by the Motor Vehicle Department

Table 5

Estimated Revenue From Present Transportation Gross Receipts Tax [1]

Fiscal year	*3 percent tax*	*Administration (5 percent)*	*Net revenue*
1947-48	$7,000,000	$350,000	$6,650,000
1948-49	7,374,000	369,000	7,005,000
1949-50	7,727,000	386,000	7,341,000
1950-51	8,101,000	405,000	7,696,000
1951-52	8,496,000	425,000	8,071,000
1952-53	8,828,000	441,000	8,387,000
1953-54	9,202,000	460,000	8,742,000
1954-55	9,555,000	478,000	9,077,000
1955-56	9,908,000	495,000	9,413,000
1956-57	10,344,000	517,000	9,827,000
Totals	$86,535,000	$4,326,000	$82,209,000

[1] The transportation gross receipts tax at present goes into the General Fund and hence is not available for highway purposes

Table 6

Estimated Revenue From Property Taxes and Other Local Sources for Road and Street Purposes

		Counties		
Fiscal year	*Cities*	*Property taxes*	*Fines and penalties*	*Total*
1947-48	$8,573,000	$5,818,000	$1,353,000	$7,171,000
1948-49	9,230,000	6,263,000	1,484,000	7,747,000
1949-50	9,937,000	6,743,000	1,571,000	8,314,000
1950-51	10,594,000	7,190,000	1,637,000	8,827,000
1951-52	11,188,000	7,592,000	1,665,000	9,257,000
1952-53	11,701,000	7,941,000	1,693,000	9,634,000
1953-54	12,111,000	8,218,000	1,721,000	9,939,000
1954-55	12,415,000	8,426,000	1,749,000	10,175,000
1955-56	12,598,000	8,549,000	1,777,000	10,326,000
1956-57	12,780,000	8,673,000	1,804,000	10,477,000
	$111,127,000	$75,413,000	$16,454,000	$91,867,000

Table 7

Estimated Revenue From Federal Aid[1]

Fiscal year	*State*	*Counties*
1947-48	$12,000,000	$5,084,000
1948-49	13,140,000	5,084,000
1949-50	8,000,000	---
1950-51	8,000,000	---
1951-52	8,000,000	---
1952-53	8,000,000	---
1953-54	8,000,000	---
1954-55	8,000,000	---
1955-56	8,000,000	---
1956-57	8,000,000	---
	$89,140,000	$10,168,000

[1] Assuming that Federal Aid is continued at pre-war levels.

Question No. 3. "Show allocation of revenue estimated under Item 2 above on basis of present laws. The funds allocated to the Division of Highways should be broken down to show the amount available for maintenance, administration, planning and new construction. If the statement for state highways will include those highways in cities these facts should be shown."

The allocation of estimated revenue under present methods of financing is given in Tables 8, 9, 10, and 11.

Table 8

Estimated Revenue Available to Division of Highways at Present Tax Rates
(Amounts in Thousands)

Fiscal year	*Gas tax*	*Diesel tax*	*Registration*[1] *and weight fees*	*Caravan fees*	*Federal aid*	*Total*
1947-48	$49,600	$2,474	$5,645	$105	$12,000	$69,824
1948-49	50,640	2,550	6,028	112	13,140	72,470
1949-50	51,700	2,610	6,405	119	8,000	68,834
1950-51	52,740	2,670	6,688	126	8,000	70,224
1951-52	53,800	2,730	6,879	133	8,000	71,542
1952-53	54,860	2,790	7,050	140	8,000	72,840
1953-54	55,900	2,880	7,234	147	8,000	74,161
1954-55	56,940	2,940	7,412	154	8,000	75,446
1955-56	58,000	3,000	7,589	160	8,000	76,749
1956-57	59,600	3,060	7,790	167	8,000	78,617
Totals	$543,780	$27,704	$68,720	$1,363	$89,140	$730,707

[1] Includes amounts transferred from in lieu tax fund necessary to make up guarantee

Table 9

Distribution of Estimated Revenue Available to Division of Highways at Present Tax Rates[1]

Fiscal year	*One-fourth cent gas tax for major city streets*	*One-fourth cent gas tax state highways in cities, maintenance and construction*	*Administration*	*Maintenance buildings, plants and equipment*
1947-48	$6,200,000	$6,200,000	$2,724,516	$15,520,000
1948-49	6,330,000	6,330,000	2,568,000	16,000,000
1949-50	6,462,500	6,462,500	2,414,000	16,000,000
1950-51	6,592,500	6,592,500	2,465,000	16,000,000
1951-52	6,725,000	6,725,000	2,517,000	16,000,000
1952-53	6,857,500	6,857,500	2,569,000	16,000,000
1953-54	6,987,500	6,987,500	2,621,000	16,000,000
1954-55	7,117,500	7,117,500	2,673,000	16,000,000
1955-56	7,250,000	7,250,000	2,724,000	16,000,000
1956-57	7,450,000	7,450,000	2,799,000	16,000,000
Totals	$67,972,500	$67,972,500	$26,074,516	$159,520,000

Fiscal year	*Engineering and planning*	*San Francisco-Oakland Bay Bridge*	*Contingency reserve, repairs, etc*	*Right of way and construction resurfacing*
1947-48	$2,625,484	$1,150,000	$2,386,000	$33,018,000
1948-49	2,375,000	1,150,000	2,500,000	35,217,000
1949-50	2,233,000	1,150,000	2,500,000	31,612,000
1950-51	2,280,000	1,150,000	2,500,000	32,644,000
1951-52	2,328,000	1,150,000	2,500,000	33,597,000
1952-53	2,376,000	1,150,000	2,500,000	34,530,000
1953-54	2,425,000	650,000	2,500,000	35,990,000
1954-55	2,472,000	650,000	2,500,000	36,916,000
1955-56	2,520,000	650,000	2,500,000	37,855,000
1956-57	2,589,000	650,000	2,500,000	39,179,000
Totals	$24,223,484	$9,500,000	$24,886,000	$350,558,000
(Return of loan for Bay Bridge approaches)				6,600,000
				$357,158,000

[1] Includes estimate for continuation of federal aid at pre-war levels

Table 10

Estimated Highway User Tax Apportionments and Local Moneys Available for Counties Under Present System of Financing

Fiscal year	*Gas tax*	*Registration and weight fees*	*Subtotal*
1947-48	$24,800,000	$5,645,000	$30,445,000
1948-49	25,320,000	6,028,000	31,348,000
1949-50	25,850,000	6,405,000	32,255,000
1950-51	26,370,000	6,688,000	33,058,000
1951-52	26,900,000	6,879,000	33,779,000
1952-53	27,430,000	7,050,000	34,480,000
1953-54	27,950,000	7,234,000	35,184,000
1954-55	28,470,000	7,412,000	35,882,000
1955-56	29,000,000	7,589,000	36,589,000
1956-57	29,800,000	7,790,000	37,590,000
Totals	$271,890,000	$68,720,000	$340,610,000
Fiscal year	*Local revenues*	*Federal aid*	*Total*
1947-48	$7,171,000	$5,084,000	$42,700,000
1948-49	7,747,000	5,084,000	44,179,000
1949-50	8,314,000	------	40,569,000
1950-51	8,827,000	------	41,885,000
1951-52	9,257,000	------	43,036,000
1952-53	9,634,000	------	44,114,000
1953-54	9,939,000	------	45,123,000
1954-55	10,175,000	------	46,057,000
1955-56	10,326,000	------	46,915,000
1956-57	10,477,000	------	48,067,000
Totals	$91,867,000	$10,168,000	$442,645,000

Table 11

Estimated Gasoline Tax Apportionment and Local Moneys Available for Cities Under Present System of Financing

Fiscal year	*Major city-street apportionments*[1]	*Local revenues*	*Total*
1947-48	$6,200,000	$8,573,000	$14,773,000
1948-49	6,330,000	9,230,000	15,560,000
1949-50	6,462,500	9,937,000	16,399,500
1950-51	6,592,500	10,594,000	17,186,500
1951-52	6,725,000	11,188,000	17,913,000
1952-53	6,857,500	11,701,000	18,558,500
1953-54	6,987,500	12,111,000	19,098,500
1954-55	7,117,500	12,415,000	19,532,500
1955-56	7,250,000	12,598,000	19,848,000
1956-57	7,450,000	12,780,000	20,230,000
Totals	$67,972,500	$111,127,000	$179,099,500

[1] This money goes to the State Highway Fund but is spent by or on behalf of cities on major city streets

Question No. 4. "Estimate of income that will be produced under proposed legislation recommended by Senator Collier's program. This to include Senate Bill No. 5 and the 1¾ percent in lieu tax, caravan tax and other items of income that will be available for highway purposes and motor vehicle administration and enforcement. Show this by separate tax items such as gas tax, diesel tax, mileage tax, etc. This estimate should be by years from July 1, 1947 to June 30, 1959. Where new tax laws would become effective January 1, 1948 use present tax from July 1st to December 31st, 1947."

We have shown our estimates of revenue from the taxes imposed by Senate Bill No. 5 in Table 12. Also shown are the miscellaneous fees collected by the Department of Motor Vehicles which are not changed by Senate Bill No. 5. Revenues shown in Table 12 are net, after deduction of estimated administrative costs*, except for the fees and taxes collected by the Motor Vehicle Department. Expenses of the department and the Highway Patrol are shown in the last column of the table.

Tables 13 to 18, inclusive, give supplemental data, which you requested, to support the estimates shown in Table 12. Table 13 shows estimated total gasoline and diesel consumption. Table 14 shows a breakdown of estimated fuel tax revenues by vehicle types. Tables 15, 16 and 17 show the basis for our estimates of vehicle weight and mileage tax revenues. As you will note, we have actually estimated the revenue for the 1948 calendar year with regard to these taxes but have shown it as revenue for the 1947-48 Fiscal Year which results in an overstatement if precise fiscal year comparisons are made. Actually, the major portion of the annual weight taxes on vehicles of less than 14,000 pounds gross weight will be received between January 1, 1948, and June 30, 1948. Also, payments of the unladen weight taxes under present law between July 1, 1947, and December 31, 1948, should be included in a fiscal year comparison. In total about $6,000,000 in weight taxes will accrue for highway purposes during the 1947-48 Fiscal Year. The 3 percent gross receipts tax for July 1, 1947, to June 30, 1948, is estimated at $3,500,000. Mileage taxes for the last half of the fiscal year will net approximately $8,150,000 according to our estimates. On a precise fiscal year basis during the transition period approximately $17,650,000 will accrue in revenues for highway purposes. After the transitional period, of course, the situation will stabilize but it will take something more than 10 but less than 10½ fiscal years, according to our estimates, to accrue as much revenue as we have shown for weight and mileage taxes for the 10-year period. On the other hand, the revenue from the $1 permit fee (Sec. 9702) has not been included but this is a minor amount since the owner pays the fee only once on each of his vehicles. In the first year it is estimated that about $80,000 will be collected. Thereafter, the revenue will be considerably less than $50,000 per year. Table 18 shows a breakdown between light and heavy vehicles of the estimated revenues from the $6 registration fee.

* Estimated costs of administration of fuels taxes were shown in Table 2. Costs of administration of the mileage taxes are estimated at 5 percent of revenues.

Table 12

Estimated Revenue for State and Local Highway Purposes Under S. B. 5

(Amounts in Thousands of Dollars)

Fiscal year	*Gasoline tax (5 cents per gal.)*	*Diesel tax (7½ cents per gal.)*	*Reg. fees ($6)*	*Drivers licenses*
1947-48	$124,000	$6,185	$22,320	$6,312
1948-49	126,600	6,375	24,024	6,767
1949-50	129,250	6,525	25,728	10,280
1950-51	131,850	6,675	26,808	11,435
1951-52	134,500	6,825	27,270	9,396
1952-53	137,150	6,975	27,726	9,555
1953-54	139,750	7,200	28,188	9,715
1954-55	142,350	7,350	28,644	9,872
1955-56	145,000	7,500	29,100	10,028
1956-57	149,000	7,650	29,550	10,185
Totals	$1,359,450	$69,260	$269,358	$93,545

Fiscal year	*Truck weight and mileage taxes*	*Miscellaneous fees, etc.*	*Total*	*Needed for Motor Vehicle Department and Highway Patrol*
1947-48	$22,500	$2,950	$184,267	$13,200
1948-49	23,736	3,131	190,633	14,208
1949-50	24,902	3,315	200,000	15,215
1950-51	26,137	3,445	206,350	15,854
1951-52	27,440	3,532	208,963	16,127
1952-53	28,606	3,625	213,637	16,397
1953-54	29,772	3,707	218,332	16,670
1954-55	31,007	3,790	223,013	16,940
1955-56	32,105	3,872	227,605	17,210
1956-57	33,271	3,954	233,610	17,476
Totals	$279,476	$35,321	$2,106,410	$159,297

Table 13

Estimate of Fuel Consumption in Millions of Gallons

Fiscal year	*Gasoline*	*Diesel*	*Total*
1947-48	2,480	82 7	2,562.7
1948-49	2,532	85	2,617
1949-50	2,585	87	2,672
1950-51	2,637	89	2,726
1951-52	2,690	91	2,781
1952-53	2,743	93	2,836
1953-54	2,795	96	2,891
1954-55	2,847	98	2,945
1955-56	2,900	100	3,000
1956-57	2,980	102	3,082

Table 14

Breakdown of Estimated Fuel Tax Revenue by Vehicle Types

(Amounts in Thousands of Dollars)

	1947-48 Fiscal year	*10-year period July 1, 1947-June 30, 1957*
Small vehicles	91,673	1,005,723
Trucks and busses *	33,079	363,388
Government vehicles	3,050	33,454
Foreign traffic	2,383	26,145
	130,185	1,428,710

* Includes adjustment for diesel tax at 7½c rate

Table 15

Estimated Revenue From Weight and Mileage Taxes for 1948 [1]

Estimated revenue from annual weight taxes (vehicles of 14,000 lbs. gross or less)	$6,205,356
Estimated revenue from mileage taxes (vehicles of more than 14,000 lbs. gross)	17,167,598
Total	$23,372,954
Administration of mileage taxes	858,380
Net amount for highway purposes	$22,514,574 [2]

[1] Data given in Tables 16 and 17 were used in making this estimate Apparent weight tax revenues shown in Table 16 were reduced by 10 percent to allow for part year registrations A similar adjustment was made in apparent mileage tax revenues shown in Table 17. The estimated adjusted revenues from these taxes for 1945 were increased by 20 percent to allow for increasses in the number of vehicles

[2] The average tax per heavy vehicle was used in projecting revenues for succeeding years. See Table 12

Table 16

Basis for Estimate of Revenue From Annual Weight Taxes Imposed by Senate Bill No. 5

(Numbers of vehicles, average taxes, and revenues)

Gross Weight	*No. of trucks (1945)*	*No. of busses (1945)*	*No. of trailers (1945)*	*Total No. of vehicles*	*Average tax*	*Revenue*
4,000- 6,000	64,162	4,482	6,000	74,644	$6 00	$447,864
6,000- 8,000	74,637	1,148	4,612	80,397	12 00	964,764
8,000-10,000	49,301	861	3,175	53,337	24 00	1,280,088
10,000-12,000	57,017	760	1,591	59,368	37 00	2,196,616
12,000-14,000	15,306	858	1,677	17,841	48 00	856,368
	260,423	8,109	17,055	285,587	-----	$5,745,700

Table 17a

Basis for Estimate of Revenue From Mileage Taxes Imposed by Senate Bill No. 5

(Number of Vehicles, Average Taxes, and Revenues)

Gross weight	No. of busses (1945)	Average tax	Revenue	Private trucks (1945)	Average tax	Revenue	For-Hire trucks (1945)	Average tax	Revenue
14,000-16,000	278	$139	$38,642	7,224	$60	$443,440	4,355	$101	$439,855
16,000-18,000	327	193	63,111	3,937	74	291,338	2,778	128	355,584
18,000-20,000	1,317	292	384,564	2,817	94	264,798	2,091	172	359,652
20,000-22,000	614	310	190,340	1,521	114	173,394	1,252	221	276,692
22,000-24,000	601	460	276,460	1,174	127	149,098	1,305	257	335,385
24,000-26,000	450	484	217,800	943	140	132,020	1,101	289	318,189
26,000-28,000	275	396	108,900	734	151	110,834	1,026	325	333,450
28,000-30,000	---	---	---	527	174	91,698	877	345	302,565
30,000-32,000	---	---	---	356	199	70,844	719	404	290,476
32,000-34,000	---	---	---	415	219	90,885	626	443	277,318
34,000-36,000	---	---	---	270	251	67,770	538	462	248,556
36,000-38,000	---	---	---	220	317	69,740	557	519	289,083
38,000 and over	---	---	---	715	387	276,705	1,030	574	591,220
	3,862		$1,279,817	20,853		$2,232,564	18,255		$4,418,025

Gross weight	Private trailers (1945)	Average tax	Revenue	For-Hire trailers (1945)	Average tax	Revenue
14,000-16,000	948	$93	$88,164	1,037	$133	$137,921
16,000-18,000	1,026	120	123,120	2,217	175	387,975
18,000-20,000	652	201	131,052	999	272	271,728
20,000-22,000	631	280	176,680	1,536	375	576,000
22,000-24,000	612	295	180,540	1,565	394	616,610
24,000-26,000	542	411	222,762	1,384	496	686,464
26,000-28,000	483	435	210,105	1,057	525	554,925
28,000-30,000	424	455	192,920	1,077	549	591,273
30,000-32,000	316	474	149,784	833	573	477,309
32,000-34,000	252	482	121,464	708	496	351,168
34,000-36,000	188	322	60,536	672	508	341,376
36,000-38,000	142	351	49,842	640	553	353,920
38,000 and over	569	377	214,513	1,176	593	697,368
	6,785		$1,921,482	14,901		$6,044,037

Table 17b

Basis for Estimate of Revenue From Mileage Taxes Imposed by Senate Bill No. 5
(Tax rates, annual mileages and average taxes)

Gross Weight	Tax Rate (Mills)	Busses		Private Trucks		For-hire Trucks	
		Mileage	Average Tax	Mileage	Average Tax	Mileage	Average Tax
14,000-16,000	5.8	24,000	$139	10,350	$60	17,500	$101
16,000-18,000	6.9	28,000	193	10,775	74	18,500	128
18,000-20,000	8.2	35,600	292	11,465	94	21,000	172
20,000-22,000	9.4	33,000	310	12,155	114	23,500	221
22,000-24,000	9.9	46,500	460	12,850	127	26,000	257
24,000-26,000	10.4	46,500	484	13,440	140	27,750	289
26,000-28,000	11.0	36,000	396	13,700	151	29,500	325
28,000-30,000	11.5	---	---	15,125	174	30,000	345
30,000-32,000	12.0	---	---	16,550	199	33,650	404
32,000-34,000	12.2	---	---	17,970	219	36,300	443
34,000-36,000	12.5	---	---	20,100	251	37,000	462
36,000-38,000	13.6	---	---	23,300	317	38,150	519
38,000 and over	14.6	---	---	26,500	387	39,300	574

Table 17c

Basis for Estimate of Revenue From Mileage Taxes Imposed by Senate Bill No. 5
(Tax rates, annual mileages and average taxes)

Gross Weight	Tax Rates (Mills)	Private Trailers		For-hire Trailers	
		Mileage	Average Tax	Mileage	Average Tax
14,000-16,000	5.8	16,016	$93	22,920	$133
16,000-18,000	6.9	17,367	120	25,321	175
18,000-20,000	8.2	24,554	201	33,123	272
20,000-22,000	9.4	29,755	280	39,841	375
22,000-24,000	9.9	29,755	295	39,841	394
24,000-26,000	10.4	39,527	411	47,724	496
26,000-28,000	11.0	39,527	435	47,724	525
28,000-30,000	11.5	39,527	455	47,724	549
30,000-32,000	12.0	39,527	474	47,724	573
32,000-34,000	12.2	39,527	482	40,629	496
34,000-36,000	12.5	25,788	322	40,629	508
36,000-38,000	13.6	25,788	351	40,629	553
38,000 and over	14.6	25,788	377	40,629	593

Table 18

Estimated Revenue From Registration Fees Classified by Light and Heavy Vehicles

(Amounts in Thousands)

Fiscal year	Light Vehicles		Heavy Vehicles		Total Fees
	Number	Fees	Number	Fees	
1947-48	3,400	$20,400	320	$1,920	$22,320
1948-49	3,667	22,002	337	2,022	24,024
1949-50	3,933	23,598	355	2,130	25,728
1950-51	4,096	24,576	372	2,232	26,808
1951-52	4,155	24,930	390	2,340	27,270
1952-53	4,212	25,272	409	2,454	27,726
1953-54	4,273	25,638	425	2,550	28,188
1954-55	4,331	25,986	443	2,658	28,644
1955-56	4,390	26,340	460	2,760	29,100
1956-57	4,448	26,688	477	2,862	29,550
Totals	----	$245,430	---	$23,928	$269,358

Question No. 5. "Estimate of revenue by years that will be received from local taxes or other sources for highway purposes."

Senate Bill No. 5 does not require counties and cities to raise particular sums of money locally for road or street purposes. Naturally, legislative action with regard to state apportionments will affect the amounts which must be raised locally to complete satisfactory road and street programs. However, the amounts which actually will be raised locally will be determined by local authorities. The estimated amounts which will be raised if present methods of financing are continued were shown in Table 6.

Question No. 6. "Statement of allocation of funds under Senate Bill No. 5 and other proposed legislation as recommended by Senate Transportation Committee. This to be by years and to be divided between maintenance, administration, planning and construction. Show separately the amount to be allocated to expressways."

Allocation of funds from estimated revenues under Senate Bill No. 5 are set out in Table 19. Table 20 shows an estimated breakdown by function of future expenditures of the State Division of Highways. We have not attempted to make such a breakdown for cities and counties as this matter for the most part will be left to local authorities to decide. However, Senate Bill No. 5 provides that certain apportionments of state-collected funds to counties, amounting to considerably less than 10 percent of the total, are restricted to construction expenditures on the primary county road systems. Also the apportionment of gasoline tax moneys for major city streets is subject to a restriction that at least three-fifths of the amount must be spent for construction of the major city street systems.

Senate Bill No. 5 does not provide for specific allocation of funds to the expressway system. As the bill is written the California Highway Commission will have the authority to allocate moneys as between expressways and other state highways, subject to the restriction providing for allocations of construction money between the two county groups and the further provision for minimum expenditures in each county during each of two five-year periods.

Table 19

Distribution of Estimated Revenue Under Senate Bill No. 5

(Amounts in thousands of dollars)

Fiscal year	*Total revenue*	*Department of Motor Vehicles*	*State Division of Highways*	*Counties*	*Cities*
1947-48	$184,267	$13,200	$115,441[1]	$40,126[1]	$15,500
1948-49	190,633	14,208	119,299	41,301	15,825
1949-50	200,000	15,215	126,138	42,491	16,156
1950-51	206,350	15,854	130,518	43,497	16,481
1951-52	208,963	16,127	131,673	44,350	16,813
1952-53	213,637	16,397	134,894	45,202	17,144
1953-54	218,332	16,670	138,151	46,042	17,469
1954-55	223.013	16,940	141,400	46,879	17,794
1955-56	227,605	17,210	144,538	47,732	18,125
1956-57	233,610	17,476	148,555	48,954	18,625
Totals	$2,106,410	$159,297	$1,330,607	$446,574	$169,932

[1] As compared with figures used in the Zettel analysis of Senate Bill No. 5 an adjustment of $626,000 has been made reducing the State's share and increasing the counties'. The totals for the 10-year period are in agreement

Table 20

Division of Estimated Revenue (Senate Bill No. 5) for State Highway Division Between Construction and Other Functions Under Senate Bill No. 5

Fiscal year	*Total state revenue*	*Administrative maintenance etc.*[1]	*Construction resurfacing and rights of way*	*Add federal aid*[2]	*Total construction including federal aid*
1947-48	$115,441,000	$30,606,000	$84,835,000	$12,000,000	$96,835,000
1948-49	119,299,000	30,923,000	88,376,000	13,140,000	101,516,000
1949-50	126,138,000	30,759,500	95,378,500	8,000,000	103,378,500
1950-51	130,518,000	30,987,500	99,530,500	8,000,000	107,530,500
1951-52	131,673,000	31,220,000	100,453,000	8,000,000	108,453,000
1952-53	134,894,000	31,452,500	103,441,500	8,000,000	111,441,500
1953-54	138,151,000	31,183,500	106,967,500	8,000,000	114,967,500
1954-55	141,400,000	31,412,500	109,987,500	8,000,000	117,987,500
1955-56	144,538,000	31,644,000	112,894,000	8,000,000	120,894,000
1956-57	148,555,000	31,988,000	116,567,000	8,000,000	124,567,000
Totals	$1,330,607,000	$312,176,500	$1,018,430,500	$89,140,000	$1,107,570,500
	Return of loan to bay bridges				6,600,000
					$1,114,170,500

[1] See Table 9 for details. Includes maintenance of state highways in cities.
[2] Federal aid at pre-war levels of $8,000,000 annually. The Division of Highways does not show federal aid after the 1947-48 apportionment in its statements.

Question No. 7. "Statement of costs of each project set up under Senate Bill No. 5 and the approximate date when project will be started and date completed."

Senate Bill No. 5 does not set up specific projects to be completed within any designated period of time. The Division of Highways presented a statement to the Senate Transportation Committee which was published in the Senate Daily Journal of January 30, 1947, showing projects which are considered critically deficient. The Highway Commission will establish priorities subject to such conditions as the Legislature imposes and limited to the availability of funds.

ANNOUNCEMENT OF COMMITTEE MEETINGS

It was announced that the following committees would hold meetings:

At 2 p.m., today, in the Assembly Chamber—

Revenue and Taxation.

At 8 p.m., Monday, March 17—

In Room 432—Finance and Insurance.

In committee room, Subcommittee on Ways and Means (Motor Vehicles).

At 3 p.m., Tuesday, March 25—

Agriculture.

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Mr. Thorp, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Mrs. Margherita O'Neil of Agoura.

On request of Mr. Hahn, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Mr. and Mrs. I. E. Hahn of Edmonton, Alberta, Canada.

On request of Messrs. Evans and O'Day, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Mr. and Mrs. Henry Clock and sons Ralph and Phillip Clock of Long Beach.

ADJOURNMENT

At 10.27 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 10.30 a.m., Monday, March 17, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE

FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

TWENTY-NINTH LEGISLATIVE DAY

SIXTY-FOURTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Monday, March 17, 1947

The Assembly met at 10 30 a.m.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Beck, Bennett, Blosser, Boyd, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—72.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald.

O God, Who by sin art offended and by penance appeased, mercifully regard the prayers of Thy people making supplication to Thee, and turn away the scourges of Thy wrath, which we deserve for our sins, through Christ our Lord—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Stephenson, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. Knight, *on motion of* Mr. Stewart.

The following member was granted leave of absence for the day, because of legislative business elsewhere:

Mr. Hinckley, on motion of Mr. Erwin.

PLEDGE OF ALLEGIANCE TO THE FLAG

Upon request of the Speaker, the Assembly gave the pledge of allegiance to the Flag.

ANNOUNCEMENTS

Speaker Collins announced that a stag dinner will be given for Members of the Assembly, tomorrow night, Tuesday, March 18th, at the State Fair Grounds; and that busses will be at the Hotel Senator at 5:30 p.m., on that date, to transport the members to the Fair Grounds

COMMUNICATIONS

By Speaker Collins:

The following newspaper excerpt was received, read, and ordered printed in the Journal:

Letters to the Editor—

What I Shall Teach

DEAR MR. EDITOR: Your issue of March 1 carries a letter in which "Teacher" inquires what he shall teach about public affairs, and asks if democracy is only a "sham and liberty only a word."

If teacher will review his history, cast his eyes about him, and overcome his discouraged, perhaps cynical, attitude he may decide to try the following.

Teach the fundamentals of our form of government and reveal the fact that if has allowed more freedom and presented a greater opportunity for the pursuit of happiness than any system ever devised by man

Teach that while democracy has its weaknesses and sometimes functions awkwardly such imperfections are a small price to pay for the advantages we enjoy under that system which is the only living alternative to dictatorship.

Develop our adherence to the proposition of the greatest good to the greatest number with the result that the average American lives the life of a king compared to the average German under nazism, the average Italian under fascism; or the average Russian under communism for under any of these forms of despotism, with all their efficiency and all their glittering promises, the individual is nothing but a slave to the state

Teacher may well emphasize the fact that eternal vigilance is the price of good government and that our institutions will be good or indifferent He will not teach his pupils that the lobbyists and the labor unions are, as he says, running our Legislature and robbing us of our freedom. The lobbyists are not running the Legislature Legislators, generally, listen to them with the mental attitude of a judge listening to a lawyer representing a client Labor unions were not created to deprive men of freedom but to secure just treatment for victims of injustice When they started depriving people of freedom our government set about circumscribing their power. The fact of their existence is evidence of the freedom we enjoy under democracy, as also, is the fact that by lawful means they can be deprived of the power to interfere with anyone's freedom

Teach the dignity of labor, pride of craftsmanship, and the truth that the finest reward a man gets out of life, be he preacher, pedagogue, or pugilist, is the respect of his contemporaries and the esteem of those who know him best.

Teach that fine biblical admonition, that it is more blessed to give than to receive, and that life is service and success measured in terms of the degree of service.

Teach temperance in all things including denunciation of men in public office, that students may not be guilty of such unjust accusations as teacher's statement that "our law-makers daily make spectacles of themselves." Our legislators are perhaps no better but certainly no worse than those who elect them. Most of them are serious minded individuals who do nothing more spectacular than study the measures before them and try to render service to their constituencies.

Teach the virtue of common decency and the axiom that "self denial is the price of all the excellencies" in order that our young people may avoid the "drunkenness, lewdness, boisterousness and immorality" which teacher deplores.

Admit that race problems are as old as humanity but that the cure lies not in awakening race consciousness but in the application of such homely expedients as common sense, tolerance and Christian charity.

There are so many things worth teaching that teacher is to be envied his opportunity. Between the lines of his letter there are the signs of a fine crusading spirit but, alas, Mr. Editor, I also detect the traces of a perfectionist—one who expects things to be perfect. Nothing ever is. Legislative government is not perfect, but, for the common man, it is the best system yet devised.

JOSEPH ALLAN BEEK
Secretary of the Senate, State of California

RESOLUTIONS

The following resolution was offered:

By Mr. Dickey:

House Resolution No. 34

Mileage upon reconvening of Assembly on March 3, 1947, pursuant to Assembly Concurrent Resolution No. 1

Resolved by the Assembly of the State of California, That the State Controller be and he is hereby directed and ordered to draw his warrants on the proper fund in favor of the following members and officers of the Assembly for the amount set opposite their respective names, and the State Treasurer is hereby directed and ordered to pay the same:

District	Name	Address	Distance from county seat	Distance from county seat, more	Distance from county seat, less	Mileage one way	Total mileage	Amount at 5 cents per mile
1	Michael J. Burns	Eureka, Humboldt County	312	--	--	312	624	$31 20
2	Lester Thomas Davis	Portola, Plumas County	136	40	--	176	352	17 60
3	Lloyd W. Lowrey	Rumsey, Yolo County	23	36	--	59	118	5 90
4	Bert W. Loomis	Chico, Butte County	86	22½	--	108½	217	10 85
5	Ernest C. Crowley	Fairfield, Solano County	40	--	--	40	80	4 00
6	Allen G Thurman	Colfax, Placer County	37	17	--	54	108	5 40
7	Richard H McCollister	Mill Valley, Marin County	105	8	--	113	226	11 30
8	Chester F Gannon	Sacramento Sacramento County	--	--	--	---	---	-----
9	Dwight H. Stephenson	Elk Grove, Sacramento County	--	13	--	13	26	1 30
10	George Miller, Jr.	Richmond, Contra Costa County	62	22	--	84	168	8 40
11	Charles M Weber	Stockton, San Joaquin County	48	--	--	48	96	4 80
12	James E Thorp	Lockeford, San Joaquin County	48	--	3	45	90	4 50
13	Francis Dunn, Jr	Oakland, Alameda County	84	--	--	84	168	8 40
14	Randal F Dickey	Alameda, Alameda County	84	5	--	89	178	8 90
15	Bernard A Sheridan	Oakland, Alameda County	84	--	--	84	168	8 40
16	Marvin Sherwin	Piedmont, Alameda County	84	--	-	84	168	8 40
17	Edward J Carey	Emeryville, Alameda County	84	--	2	82	164	8 20
18	Thomas W Caldecott	Berkeley, Alameda County	84	--	1	83	166	8 30
19	Bernard R. Brady	San Francisco, San Francisco County	90	--	--	90	180	9 00
20	Thomas A Maloney	San Francisco, San Francisco County	90	--	--	90	180	9 00
21	Albert C Wollenberg	San Francisco, San Francisco County	90	--	--	90	180	9 00
22	George D Collins, Jr	San Francisco, San Francisco County	90	--	--	90	180	9 00
23	Willliam Clifton Berry	San Francisco, San Francisco County	90	--	--	90	180	9 00

District	Name	Address	Distance from county seat	Distance from county seat, more	Distance from county seat, less	Mileage one way	Total mileage	Amount at 5 cents per mile
24	Edward F O'Day	San Francisco, San Francisco County	90	-	-	90	180	9 00
25	Raymond W Blosser	San Francisco San Francisco County	90	-	-	90	180	9 00
26	Edward M Gaffney	San Francisco, San Francisco County	90	-		90	180	9 00
27	Richard J Dolwig	South San Francisco, San Mateo County	119		11	108	216	10 80
28	*Robert C Kirkwood*	*Saratoga, Santa Clara County*	128	12	-	140	280	14 00
29	John F. Thompson	San Jose, Santa Clara County	128		-	128	256	12 80
30	Ralph M Brown	Modesto, Stanislaus County	77	-	-	77	154	7 70
31	George A Clarke	Planada, Merced County	114	10	-	124	248	12 40
32	Donald L Grunsky	Watsonville, Santa Cruz County	198	20	-	218	436	21 80
33	James W Silliman	Soledad, Monterey County	208	25	-	233	466	23 30
34	James G Crichton	Fresno, Fresno County	169	-	-	169	338	16 90
35	S L Heisinger	Caiwa, Fresno County	169	5	-	174	348	17 40
36	Harry J Johnson	Porterville, Tulare County	206	28	-	234	468	23 40
37	Alfred W Robertson	Santa Barbara, Santa Barbara County	460	-	-	460	920	46 00
38	John B Cooke	Ventura, Ventura County	490	-	-	490	980	49 00
39	W E James	Bakersfield, Kern County	278	-	-	278	556	27 80
40	William H Rosenthal	Los Angeles, Los Angeles County	447	-	-	447	894	44 70
41	Julian Beck	San Fernando, Los Angeles County	447	-	21	426	852	42 60
42	Walter R Hinton	Burbank, Los Angeles County	447	-	11	436	872	43 60
43	C Don Field	Glendale, Los Angeles County	447	-	10	437	874	43 70
45	Thomas J. Doyle	Los Angeles, Los Angeles County	447		-	447	894	44 70
46	Glenn M Anderson	Hawthorne Los Angeles County	447	12	-	459	918	45 90
47	Albert I Stewart	Pasadena, Los Angeles County	447	13	-	460	920	46 00
48	T Fenton Knight	La Canada, Los Angeles County	447	16	-	463	926	46 30
49	Ernest R. Geddes	Pomona, Los Angeles County	447	30	-	477	954	47 70
50	Thomas M Erwin	Puente, Los Angeles County	447	19	-	466	932	46 60
51	Elwyn S Bennett	Los Angeles, Los Angeles County	447	-	-	447	894	44 70
52	Jonathan J Hollibaugh	Huntington Park, Los Angeles County	447	6	-	453	906	45 30
53	Montivel A Burke	Alhambra, Los Angeles County	447	9	-	456	912	45 60
54	John L E Collier	Los Angeles, Los Angeles County	447	-	-	447	894	44 70
55	Vernon Kilpatrick	Los Angeles, Los Angeles County	447	-	-	447	894	44 70
56	Ernest E Debs	Los Angeles, Los Angeles County	447	-	-	447	894	44 70
57	Charles J Conrad	Los Angeles Los Angeles County	447	-	-	447	894	44 70
58	Laughlin E Waters	Los Angeles, Los Angeles County	447	-	-	447	894	44 70
59	Willard M Huyck	Beverly Hills, Los Angeles County	447	8	-	455	910	45 50
60	M Philip Davis	Los Angeles, Los Angeles County	447	-	-	447	894	44 70
61	Lester A. McMillan	Los Angeles, Los Angeles County	447	-	-	447	894	44 70
62	Augustus F Hawkins	Los Angeles, Los Angeles County	447	-	-	447	894	44 70
63	Don A Allen	Los Angeles, Los Angeles County	447	-	-	447	894	44 70
64	John C Lyons	Los Angeles, Los Angeles County	447	-	-	447	894	44 70
65	John W Evans	Los Angeles, Los Angeles County	447	-	-	447	894	44 70
66	Gordon R Hahn	Los Angeles Los Angeles County	447	-	-	447	894	44 70
67	Clayton A Dills	Gardena, Los Angeles County	447	11	-	458	916	45 80
68	Vincent Thomas	San Pedro, Los Angeles County	447	23	-	470	940	47 00
69	Ralph C Dills	Compton, Los Angeles County	447	18	-	465	930	46 50
70	William S Grant	Long Beach, Los Angeles County	447	22	-	469	938	46 90
71	Carl Fletcher	Long Beach Los Angeles County	447	22	-	469	938	46 90
72	R Fred Price	Upland, San Bernardino County	508	-	23	485	970	48 50
73	*L Stewart Hinckley*	*Redlands, San Bernardino County*	508	9	-	517	1,034	51 70
74	Earl W Stanley	Newport Beach, Orange County	481	4	-	485	970	48 50
75	Sam L Collins	Fullerton Orange County	481	-	11	470	940	47 00
76	Phillip L Boyd	Palm Springs, Riverside County	512	54	-	566	1,132	56 60
77	George R Butters	Brawley, Imperial County	661	-	14	647	1,294	64 70
78	Frank Luckel	San Diego, San Diego County	573	-	-	573	1,146	57 30
79	Kathryn T Niehouse	San Diego, San Diego County	573	-		573	1,146	57 30
80	Howard K. Cramer	Chula Vista, San Diego County	573	10	-	583	1,166	58 30

Name	Address	Distance from county seat	Distance from county seat, more	Distance from county seat, less	Mileage one way	Total mileage	Amount at 10 cents per mile
Arthur A Ohnimus	San Francisco, San Francisco County	--	--	--	---	---	-----
Geraldine B Hadsell	Los Angeles, Los Angeles County	447	--	--	447	894	89 40
Wilkie Ogg	Sacramento, Sacramento County	--	--	--	---	---	-----

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 34, at this time, without reference to committee or file.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Allen, Beck, Bennett, Blosser, Brown, Burke, Butters, Caldecott, Clarke, Collier, Conrad, Cooke, Cramer, Lester T. Davis, Dickey, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Loomis, Luckel, Lyons, Maloney, McCollister, McMillan, Niehouse, Price, Robertson, Rosenthal, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thorp, Thurman, Waters, Wollenberg, and Mr. Speaker—57

NOES—None.

NOTICE OF MOTION TO WITHDRAW SENATE BILL NO. 5 FROM COMMITTEE

Messrs. Boyd and Heisinger gave notice that on the second legislative day they would move to withdraw Senate Bill No. 5 from the Committee on Revenue and Taxation, and have it placed upon the file.

REQUEST FOR UNANIMOUS CONSENT TO SPEAK UPON THE CONDITION OF THE FILE

Mr. Boyd asked for, and was granted, unanimous consent that he be permitted to speak upon the condition of the file.

REQUEST FOR UNANIMOUS CONSENT TO USE ASSEMBLY CHAMBER FOR MEETING

Mr. Hollibaugh asked for, and was granted, unanimous consent that the Committee on Revenue and Taxation be permitted to use the Assembly Chamber, today, at 2 p.m., for the purpose of holding a meeting.

REQUEST FOR UNANIMOUS CONSENT THAT ADDITIONAL COPIES OF HOUSE RESOLUTION NO. 74 BE ORDERED PRINTED

Mr. Loomis asked for, and was granted, unanimous consent that 20 additional copies of House Resolution No. 74 of the General Session be ordered printed.

RESOLUTIONS

The following resolutions were offered:

By Messrs. Sherwin, Dickey, Caldecott, Dunn, Gaffney, Maloney, Wollenberg, Carey, Sheridan, and Blosser:

House Resolution No. 35

Relative to congratulating E. A. Rogers

WHEREAS, E. A "Doc" Rogers, dean of all newspaper cameramen in the United States, is being honored at a dinner given by Eastbay Boosters Club to the San Francisco-Oakland Press Photographers Association on March 18, 1947; and

WHEREAS, "Doc" Rogers started his career as a newspaper cameraman on the *San Francisco Call* in 1903, since 1910 has been on the staff of the *Oakland Tribune*, and in 44 years of diligent attention to duty has acquired outstanding skill and ability in his profession, has won the affection and esteem of all who know him and have enjoyed his pictures; has won an honored place in his State and Nation by his contributions to the history of his State, and particularly by his work during the Catastrophe of 1906; now, therefore, be it

Resolved by the Assembly of the State of California, That the Assembly hereby expresses the pride of a grateful State in recognizing the honor that is due "Doc" Rogers, and commends the Eastbay Boosters Club for its tribute to his useful career; and be it further

Resolved, That the Chief Clerk of the Assembly transmit suitably prepared copies of this resolution as an expression of esteem by the Members of this Assembly to E. A. Rogers; and that suitable copies be sent also to Joe Rosenthal, President of the San Francisco-Oakland Press Photographers Association, and to Alan Ward, President of Eastbay Boosters Club.

Request for Unanimous Consent

Mr. Sherwin asked for, and was granted, unanimous consent to take up House Resolution No. 35, at this time, without reference to committee or file.

Resolution read, and adopted unanimously.

By Mr. Cramer and Mrs. Niehouse:

House Resolution No. 36

Relative to memorializing Congress to enact legislation authorizing the completion of the San Diego Aqueduct with government funds

WHEREAS, The City of San Diego, which normally has a 10-year water supply on hand, now has only a nine-months supply of such water, due to the tremendous diversion of water from its water supply in past months to the military and naval bases in the area; and

WHEREAS, In 1944 the United States Navy undertook to increase the water supply of the City of San Diego by the construction of an aqueduct running from the San Jacinto Reservoir to the San Vicente Reservoir but was forced to cancel the construction contracts at the end of the war due to slashes in the Budget of the Navy Department; now, therefore, be it

Resolved by the Assembly of the State of California, That the Congress of the United States be memorialized and requested to pass legislation authorizing the completion of the San Diego Aqueduct Project with government funds; and be it further

Resolved, That the Chief Clerk of the Assembly is directed to transmit copies of this resolution to the President of the United States, to the President pro Tempore of the Senate of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.

Resolution read, and referred to the Committee on Rules.

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following bill was introduced, and read the first time:

Assembly Bill No. 42: By Mr. Cramer—An act to amend Sections 102, 108 and 128 of, to add Division 2A, comprising Sections 139 to 139.93 to, and to repeal Sections 111, 113, 116, 117, 120, 121, 122, 123, 124, 125, 126 and 135 of, the Vehicle Code, abolishing the Division of Enforcement of the Department of Motor Vehicles, establishing a Department of Public Safety and Enforcement and prescribing its powers, duties, purposes, and functions, providing for the transfer of personnel, records and property; and making money available for the support of said new department.

Referred to Committee on Governmental Efficiency and Economy.

REPORTS OF STANDING COMMITTEES

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, March 17, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined

Assembly Joint Resolution No. 1—Relative to centralized purchasing for Navy ships service stores;

Assembly Joint Resolution No. 2—Relative to requesting the Interstate Commerce Commission to take action to equalize freight rates and eliminate discrimination therein;

And reports that the same has been correctly enrolled, and presented to the Secretary of State on the fourteenth day of March, 1947, at 4 p.m

WEBER, Chairman

Committee on Rules

ASSEMBLY CHAMBER, SACRAMENTO, March 17, 1947

MR. SPEAKER: Your Committee on Rules, to which was referred,

Assembly Joint Resolution No. 6

Has had the same under consideration, and reports the same back with the recommendation Be adopted.

DICKEY, Chairman

REQUEST FOR UNANIMOUS CONSENT

Mr. Wollenberg asked for, and was granted, unanimous consent to take up Assembly Joint Resolution No. 6, at this time, without reference to engrossment, and that the same be considered engrossed.

CONSIDERATION OF ASSEMBLY JOINT RESOLUTION NO. 6

Assembly Joint Resolution No. 6—Relative to memorializing Congress to grant to the State of California acreage in the Presidio of San Francisco for establishing the new San Francisco State College.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Allen, Bennett, Blosser, Boyd, Brown, Burke, Burns, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—70.

NOES—None.

Resolution ordered transmitted to the Senate.

REPORTS OF STANDING COMMITTEES

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, March 17, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:

Assembly Joint Resolution No. 5

And reports the same correctly engrossed

WEBER, Chairman

Above reported resolution ordered on file for adoption.

Committee on Governmental Efficiency and Economy

ASSEMBLY CHAMBER, SACRAMENTO, March 13, 1947

MR. SPEAKER: Your Committee on Governmental Efficiency and Economy, to which was referred:

Assembly Bill No. 26

Has had the same under consideration, and reports the same back with the recommendation: Do pass

FIELD, Chairman

Above reported bill ordered to second reading.

REQUEST FOR UNANIMOUS CONSENT THAT THIRD AND FOURTH TRANSCRIPTS RELATIVE TO STATE HIGHWAY SYSTEM BE ORDERED PRINTED IN JOURNAL

Mr. Hollibaugh asked for, and was granted, unanimous consent that the following third and fourth transcripts, taken at a hearing before the Committee on Revenue and Taxation, on the California State Highway System, be ordered printed in the Journal, in 10-point type:

HEARING BEFORE THE COMMITTEE ON REVENUE AND TAXATION ON THE CALIFORNIA STATE HIGHWAY SYSTEM

Thursday, March 6, 1947, 2 p.m.

CHAIRMAN HOLLIBAUGH: The meeting will come to order, and I will proceed to call the roll of the Assembly Revenue and Taxation Committee.

(Roll call was thereupon had.)

There are 11 present, there is a quorum present.

For the benefit of those who haven't been attending these meetings, I wish to state that this is a meeting of the Assembly Revenue and Taxation Committee, considering the highway bills under the special session of the Legislature.

The bills being considered are Assembly Bill No. 1, creating a Highway User's Fund; Assembly Bill No. 2, the administration of the highway system, a companion bill to Senate Bill No. 5 as originally introduced; Assembly Bill No. 6, gas tax increase; Assembly Bill No. 7, fuel tax; Assembly Bill No. 8, transportation and weight tax; Assembly Bill No. 12, the exemption from fuel taxes.

This afternoon we will continue the meeting with Mr. Baker, a member of the State Highway Commission, who was here yesterday and was asked to continue his statement this afternoon. Mr. Baker.

MR. HARRISON R. BAKER: Yes, Mr. Chairman.

CHAIRMAN HOLLIBAUGH: Before we start, I perhaps should ask the committee a question. Yesterday we were a little confused about fellows talking—some talked, some made speeches that weren't particularly pertaining to the subject, and I would like an expression of the committee as to any definite rule they would like to make along those lines.

ASSEMBLYMAN GEDDES: I don't know that it requires a rule, but I think certainly as legislators interested in conducting our affairs in good order, and being fair to all witnesses and affording them courtesy, that I might suggest this, that any speaker first be allowed to complete his prepared statements that he has with him and not interrupt it. I saw that happen in the Senate this morning—a man was making his presentation; he was interrupted and thrown off the track and it takes a good deal of time to get back. I feel that if we listen to the man—listen intently, and make our notes, we will have notes, also questions that pertain to other matters in our mind on which we want his opinion.

That, of course, I believe should apply first as a rule, right and duty of the committee, and then for fellow legislators who are not members of the committee, but who are vitally interested, and are certainly entitled to the courtesy to be heard if there are points that haven't been developed amply, but, at the same time, they owe us the courtesy of not interrupting or prolonging this hearing unduly. That is just a suggestion, and I think that certainly we all agree to it.

ASSEMBLYMAN KNIGHT: May I ask Mr. Geddes if he would present that in a formal motion, and I will be very happy to second it, if he will do so.

ASSEMBLYMAN GEDDES: I will second that.

ASSEMBLYMAN KNIGHT: May I now speak on the motion, Mr. Chairman?

CHAIRMAN HOLLIBAUGH: You may.

ASSEMBLYMAN KNIGHT: I would like, if the motion is carried to have it also be understood that the chairman presiding, will enforce this so that there will be no question in regard to some one having to require a point of order repeatedly in order to keep us in line with the proper procedure.

ASSEMBLYMAN STEWART: I rise to support Mr. Geddes' motion and as you announced at the opening in that we are considering Bills 1, 2, 6, 7, 8, and 12, we are sitting on a Committee on Revenue and Taxation, and undertaking, if I am correctly informed, undertaking to determine the ways and means of raising the taxes, or any taxes, in the support of these bills, and I suggest to you, sir, in the support of this motion that we should confine ourselves to that, and give other Members of the Assembly, after the committee is through interrogating, an opportunity; after the speaker has gone through his statements, and then open it up for questions, then give all of these people, the members of the committee first, a chance to interrogate, and then the other Members of the Assembly.

CHAIRMAN HOLLIBAUGH: Mr. Stewart, thank you. I would like to say this: I try to recognize everyone, and those who did not get an opportunity last night, it was because I have tried to take them in order.

ASSEMBLYMAN STEWART: I think that it is a very fair way that you are conducting these hearings.

CHAIRMAN HOLLIBAUGH: Thank you, Mr. Stewart. Any further discussion on the motion? (No response.) All in favor of the motion say "aye." (A chorus of "ayes" heard from the floor.) No? (No dissenting votes were heard from the floor.) So ordered.

Mr. Baker, would you like to resume your discussion of yesterday?

MR. HARRISON R BAKER: Mr. Chairman and Members of the Assembly Committee on Revenue and Taxation.

Yesterday I prepared a statement which I presented to you, and at the close of the proceedings was engaged in answering questions, or endeavoring to supply information to the committee. I was requested by your chairman to return this afternoon and Mr. Warlow, also a member of the commission, will follow me later and we are here for the purpose of cooperating with your committee and supplying information, and if you have any further questions to present to me, I shall be glad to endeavor to answer them, and Mr. Warlow later will also. Following Mr. Warlow is another member of the Highway Commission.

CHAIRMAN HOLLIBAUGH: Last night when we closed, there were some further questions. Now I think Mr. Kirkwood was on the list, and he didn't get an opportunity.

ASSEMBLYMAN KIRKWOOD: Mr. Baker, these questions may be ones that you feel would be answered by some of your staff. If they are, I am willing to abide by your judgment on that, and ask the questions later on to them.

We referred to two deficiencies, one of $700,000,000, and one of $1,400,000,000, roughly. We also talked about this postwar highway program, and it has been indicated that $100,000,000 has been spent, or practically that, or will be by June 30th.

Now, does that $100,000,000 expenditure cut down these two deficiency programs, and to what extent?

MR. BAKER: The $100,000,000 postwar program which has been let to contract largely comes out of the original critical deficiency program of $700,000,000 that was listed in the critical deficiencies list presented in 1943—in other words, we took out of the critical deficiency list, the postwar program almost entirely came from the most critical projects in that $700,000,000 list.

ASSEMBLYMAN KIRKWOOD: Well, do you have any idea as to whether that has been offset to the extent—is it $700,000,000, or have increased costs cut it down to, maybe 50 percent of the original $700,000,000—see what I am driving at?

MR. BAKER: Yes, I would say that the increase—the critical deficiency list of 1943 was based on 1941 costs, whereas the contracts let in our postwar program run in the neighborhood of $100,000,000—would represent probably $60,000,000 to $70,000,000 of that $700,000,000 critical deficiencies list, so roughly we will say 10 percent of that critical deficiency list has been let to contract.

ASSEMBLYMAN KIRKWOOD: The other question that I have in mind I think probably should come later, but maybe you would want to comment on them. I would like to check at some period on this; on the basis of the estimates, would on that $700,000,000 and the $1,400,000,000 program, and see if there is a difference in the type of highway proposed where it is covering the same mileage—checks of that nature. Now, would that perhaps be better to postpone?

MR. BAKER: I can give you a general answer, and I know that Mr. Vickery of our staff can give you a more complete answer. Roughly, if you are interested in a general answer, to that question, the $700,000,000 critical deficiency list of 1943, based on 1941 costs, was submitted to the Collier committee. The Collier committee readjusted that program on a basis of current costs, so that it appears in the Kennedy Report as a list of projects costing about $1,200,000,000.

That adjustment is strictly on a cost basis and includes the same projects so that in the critical deficiencies list submitted in December, or January of this year, of $1,458,000,000 is an adjustment in cost, taking care of the difference between $700,000,000 and the $1,200,000,000—about. Now, the difference between the $1,200,000,000 and the $1,458,000,000 is accounted for by additional traffic problems that are created by growth during the war and the addition of about 1,050 miles of additional lane capacity that our engineers felt was required to take care of the increased traffic requirements. This took place between 1943 and 1946.

ASSEMBLYMAN KIRKWOOD: I see—

MR. BAKER: However, Mr. Vickery can give you those answers in more detail.

CHAIRMAN HOLLIBAUGH: Mr. James.

ASSEMBLYMAN JAMES: I would like to have a few things clarified in my mind regarding the State Highway Department's program.

You speak about the second deficiency report that was submitted by the department in January of 1947, which included $1,458,000,000 in expenditures.

Was that the Highway Department's program?

MR. BAKER: No, as I explained yesterday, the Legislature asked the department to supply a list of deficiencies and that list was submitted in January as a list prepared by the engineering staff, which is simply a listing of deficiencies—not critical deficiencies, but deficiencies in the highway system. It is not a program. The commission has not checked it over, and programmed out of that list any program of construction. It is a list, rather than a program.

ASSEMBLYMAN JAMES: I see. Well, next in line came about—approximately $900,000,000 in freeways. Whose program is that? That is the first freeway list—then there was a second freeway list of approximately $214,000,000.

I will term them just freeway program number one, and freeway program number two. Whose program is freeway program number one—the first program?

MR. BAKER: The freeway program number one, which I presume you are referring to, is the first program incorporated in Senate Bill No. 5, or in these other bills you have under consideration—they are based on the Kennedy Report to the Collier Committee and all of that construction is on existing state highways.

ASSEMBLYMAN JAMES: I see. That is the Collier Committee's brainchild. They are the proponents of that freeway system?

MR. BAKER: That is true.

ASSEMBLYMAN JAMES: How about the freeway system number two—the $214,000,000 item, that was subsequently, I believe, added by amendment on February 3d?

MR. BAKER: My understanding of that—that $200,000,000 metropolitan freeway list was added in the Collier—or in Senate Bill No. 5 by the addition of certain mileage to the State Highway System—the Los Angeles metropolitan area, and in the Bay region, and it is largely additional mileage to the State Highway System, not now in the State Highway System.

ASSEMBLYMAN JAMES: Do you know who the proponents of that amendment were, or what department was behind it?

MR. BAKER: No. My knowledge is it was not a department of the State—it is not the Highway Department's proposal. It was proposed by representatives of the metropolitan areas interested in the construction of that freeway program, as I recall it. It was not proposed by our department.

ASSEMBLYMAN JAMES: I see. You are speaking for your commission?

MR. BAKER: The commission.

ASSEMBLYMAN JAMES: Does your commission consider the metropolitan freeway program—now, that one—that is the $900,000,000 plus program—a critical deficiency?

MR. BAKER: I don't think the commission has analyzed a hundred percent the entire $900,000,000 expressway system. As concerning our critical list, I know that large parts of it correspond to our critical deficiency program. There may, however, be some portions of that $900,000,000 freeway, or expressway, program which might, in the opinion of the department—could wait until other more critical situations are taken care of.

ASSEMBLYMAN JAMES: Would it be possible for your commission or department to segregate the noncritical portions of that freeway program from the portions that are considered critical?

MR. BAKER: That could be done by our staff preparing our critical list with the $900,000,000 program.

ASSEMBLYMAN JAMES: I wonder if your commission or department would furnish me with a list of freeways that are considered critical and those that are not, and I will ask the same line of questioning as to the $214,000,000 freeway program that was subsequently added on February 3d.

MR. BAKER: I think that information can be furnished by our department, and I presume that you are going to have our technical staff appear here as witnesses for you, and any information you require along those lines, I am sure they will be glad to furnish it.

ASSEMBLYMAN JAMES: I will ask this one further question regarding the second freeway program: this $214,000,000 program, is any part of that program considered critical by your commission?

MR. BAKER: That program has not been passed on by the commission as yet, because it is largely the improvement of freeways or projected freeway construction, and our commission has not been asked to pass on it.

ASSEMBLYMAN JAMES: You have no recommendation to make on the second freeway program?

MR. BAKER: No, we have not had the opportunity to act on it.

ASSEMBLYMAN JAMES: That is all Thank you.

CHAIRMAN HOLLIBAUGH: Mr. Waters next

ASSEMBLYMAN WATERS: Mr. Baker, your earlier remarks yesterday made reference to the fact that additional funds would be necessary to support this proposed highway program. I believe the Collier committee retained the services of Mr. Lindman to go into that particular subject, and Mr. Lindman submitted a report, apportioning the cost in four ways:

(1) To highway uses.

(2) To counties.

(3) To cities, and

(4) Relied on federal aid.

Are you familiar with that report?

MR. BAKER: Yes. I am somewhat familiar with that.

ASSEMBLYMAN WATERS: Do you agree with the provisions of that report?

MR BAKER: As I recall, the Lindman Report, submitted alternative methods. It didn't confine itself to one method.

ASSEMBLYMAN WATERS: That is true. He did, however, he did make a percentage allocation. Are you familiar with that particular portion of it?

MR. BAKER. I don't know which particular section of it did make particular apportionments.

ASSEMBLYMAN WATERS: Well, here—(Report is handed to Mr. Baker, who reads same) I am referring to that particular portion solely, whereby he does recommend percentage apportionments to cities and a percentage apportionment to counties, and I wonder whether or not the commission considered that, and whether or not you agreed with it?

MR. BAKER: I think, as I stated, we are somewhat familiar with it, but the commission generally takes the view point, as I expressed yesterday, that the matter of raising taxes and the distribution of the tax burden between various classes of users is primarily a function of the Legislature and we are an administrative body just designated to administer a department of government at the direction of the Legislature and the Governor, and we felt that was a little out of our province to suggest to the Legislature what percentage of taxes should be imposed on various classes of users.

ASSEMBLYMAN WATERS: Well, now, I am in agreement with you insofar as it goes and the Legislature is concerned. My sole purpose is to ascertain whether or not the commission had considered this as part of the over-all highway program, and whether or not you had an opinion During your subsequent examination Mr. Dills propounded the question to which you responded that the program affected the cities and counties in a manner entirely apart from the State, and I wondered whether or not you had that particular item in mind, or just what you were referring to there.

MR. BAKER: No, I didn't I answered that question yesterday in regard to the scope of the proposed legislation in regard to highways being considered by your committee and considered in Senate Bill No. 5 I didn't have in mind the particular direction—or distribution of taxes at all of this highway legislation. As you know, you now contemplate a revamping of the highway system in California, and call for a revamping not only of the state highways in particular, but also of the county highway system, and the city highway system, and street system of each city, so that it is a broader bill and a much broader scope than simply a state highway bill.

ASSEMBLYMAN WATERS: Would you care to express an opinion as to whether or not the cities should be required to assume some portion of the cost of the highways as distinguished from the highway users and federal aid, which apparently the Senate bill now solely relies upon?

MR. BAKER: I don't think I am prepared to say what portion of the cost any particular class of taxpayer should pay, if that is the meaning of your question.

ASSEMBLYMAN WATERS: As to whether or not they should be required to pay any—should they assume any of that burden?

MR. BAKER: Well, I think generally it is our feeling that the cities should continue to carry some portion of the local burden as they are now, and that the aid that the State gives to the cities should be generally along the lines which we have followed in the past, and which generally is proposed in this Senate Bill No. 5.

ASSEMBLYMAN WATERS: Insofar as the counties are concerned, Mr Baker, do you feel that they should be required to assume more of the burden of cost?

MR. BAKER: The cost of what, Mr. Waters?

ASSEMBLYMAN WATERS: Of the whole highway program.

MR. BAKER: I wouldn't want to speak for the county program. That is a complicated subject in itself. We are interested primarily in state highways that are built in the counties, and, as you know, the whole matter of county financing is a separate problem. One cent of the gas tax is distributed directly to the county, and the counties use this money

without any control by the Highway Department or supervision, and we would be telling the counties what to do with funds they receive directly from the State and administer directly under no control of our department.

ASSEMBLYMAN WATERS: Would it be advantageous to control the funds now allocated to the counties? Any beneficial results that might accrue to the proposed highway program?

MR. BAKER: Well, we haven't considered that That point hasn't been proposed in any highway legislation, and we have confined ourselves largely to the problem of state highway consideration in the counties and we really don't think it is part of our function to mix in the problem of the county financing, especially of county roads.

ASSEMBLYMAN WATERS: That is all I have, Mr. Chairman.

CHAIRMAN HOLLIBAUGH: Thank you, Mr. Waters. Mr. Stewart is next.

ASSEMBLYMAN STEWART: Mr. Baker, the Highway Commission—did they have anything to do with the appointing of the Collier committee or the making of the Collier committee's report?

MR. BAKER: We had nothing to do with the appointments. You know that is a committee appointed by the Legislature, and as far as the preparation of the report, that was done entirely separately from our department by the committee and its own experts. Our technical staff was at the disposal of the Collier committee and we furnished a great deal of material which the Collier committee used but the report was prepared independently of our department.

ASSEMBLYMAN STEWART: You, as the Highway Commission, had nothing to do with the preparation of Mr. Kennedy's Report, or any part of the report of the interim committee.

MR. BAKER: That is true. It was entirely a legislative committee report

ASSEMBLYMAN STEWART: And your body is strictly a policy following body and these technicians are employed to furnish you with the technical information and your commission makes certain decisions as to when, where, and how the highways will be built?

MR. BAKER: That is correct

ASSEMBLYMAN STEWART: That's all.

CHAIRMAN HOLLIBAUGH: No one else? Mr Warlow is here. Mr. Lowrey, did you want to ask some questions? I guess that is all. Mr Baker We are very grateful to you for staying over. We certainly appreciate it, your remarks have been enlightening to all of us.

MR BAKER: Thank you, sir.

CHAIRMAN HOLLIBAUGH: Mr. Warlow, will you wait? Mr. Hewitt, representing the California Manufacturer's Association, has to leave at 2 30. He has to leave town immediately.

MR. WARLOW: Certainly.

CHAIRMAN HOLLIBAUGH: Mr. Hewitt, will you step down there and take the microphone?

MR. ALVIN E. HEWITT: Mr Chairman, and gentlemen of the committee:

Mr. Norris, our president, has asked me to express his appreciation for the invitation to discuss the highway tax program issued to him by your committee.

Although the association has not made the extensive study of this subject which we normally afford to matters of direct concern to manufacturers, we do have the interest of citizens in the sound management of state affairs. We are interested in any siphoning-off of the California consumer's purchasing power such as the highway tax program entails. This is along the lines of the letter written by Mr. Norris to each Member of the Legislature on January 25th.

When your committee undertakes its hearings on the over-all state tax program we will then appreciate the opportunity to make a more detailed presentation based upon analysis which we are now conducting.

The reason Mr. Norris could not be here today is because it was necessary for him to leave Los Angeles on a prior commitment to testify before the Interstate Commerce Commission in Washington in support of the reduced freight rates on steel products being shipped from Geneva, Utah, to coast points. As a matter of comment, these reduced rates were offered voluntarily by the railroads serving Geneva and coast points. Obviously, if the coast consumer cannot receive the benefits of reduced costs made possible by having new steel facilities in this area, then it is meaningless to have the new steel facilities here The Geneva Steel Company and the Columbia Steel Company have publicly agreed to pass on these savings to their customers.

With regard to the highway program, let me emphasize—and we specifically want it clearly understood everywhere—that Mr. Norris stated our position in his January 25th letter when he said, "California needs good highways under a realistically planned program." We are for good highways. They are a vital part of commerce. They must serve a basic function—the efficient movement of vehicular traffic.

The questions to be answered seem to us to be the following:

(1) What additional highways and improvements to existing highways should we have in order to provide efficient movement of vehicular traffic? The Collier Committee Report seems to include such recommendations for the further analysis of the Legislature.

(2) How much design, right-of-way purchase, and construction can the State efficiently accomplish this year, and each year for the next few years? A satisfactory answer to this question has not yet been forthcoming, to our knowledge.

(3) How much money is required to finance, by each year for the next few years, that part of the program which can actually be accomplished, as reported in answer to question (2)?

(4) From a sound business management standpoint, how much of the taxpayer's money should be spent during a time when, by common knowledge, costs in construction and in the value of real estate are too high?

In answering the last question, the need to solve traffic bottlenecks and eliminate danger areas must, of course, be given priority in consideration. But in mentioning danger areas, we bring into focus the casualty rates on California streets and highways. If reduction of casualties is a prime purpose, it would seem that the Legislature has the power to strike immediately at the root of that evil by doing three things:

(1) Provide mandatory and stiff jail sentences for drunken drivers.

(2) Outlaw unsafe vehicles from the streets and highways.

(3) Stiffen requirements for licenses for drivers.

(4) Add to the number of highway officers, which would not cost as much as some other things.

To return to the highway tax matter specifically, our study of this matter has been that of a layman. We well understand the problems of the Members of the Legislature who have had to do as we have done, pore over a welter of statistics and testimony which has been so conflicting in many cases.

Our study has led us to these conclusions:

a. The need for improved streets and highways planned and constructed under a realistic program is accepted.

b. The need for additional taxes on gasoline and trucks has not yet been proved.

Our latter conclusion is based on these facts:

(1) The Highway Department has termed independent studies of the State Controller's figures as "misleading," but has not opened it's books, to our knowledge, to compare their figures item by item with the figures of the independent studies to show where these studies are "misleading."

(2) There is no evidence of a real plan, and maybe a real program is actually impossible to set forth if it requires long-range predictions But, in the absence of a real program, the money and the general program seem to be turned over lock, stock and barrel to a Highway Commission. Here we are, embarking on a 15 year program; but no one can predict whether costs will go down or up. Thus, regardless of current estimates of revenue, we may in the future have either too much or too little money. The Legislature should specifically retain authority to re-examine all phases of this program as is warranted by future developments.

(3) With full respect for Senator Collier, we are informed that Mr. Vandegrift plans to stand by his figures. This can only cause the greatest confusion to the taxpayer attempting to reach a sound and objective conclusion.

(4) Certain parts of the program which have been called to our attention seem to need greater explanation. Although, on the surface these appear questionable, since they represent part of a report upon which much time and study have been devoted, there must be some sound explanation.

Let me again repeat, we are for good highways. It seems to us that citizens can be for good highways and still retain the privilege of asking for clarification where confusion exists.

We have no panacea to offer your committee. Our suggestion is the one which your committee seems to have already adopted—to get parties offering conflicting data together and peel away anything and everything but the bare facts so that a clear report can be made to the people who have to pay the bill.

A lead paragraph in a San Francisco newspaper on Monday evening asked the question, "Does the California motorist want to pay a nickel a day more for better highways?"—another nickel. That is not the true question. The true question is, "Does the California motorist NEED to pay a nickel a day more for better highways?"—another nickel in addi-

tion to the extremely large state taxes already being paid by Californians.

CHAIRMAN HOLLIBAUGH: Thank you, Mr. Hewitt. Does any member of the committee have any questions? Mr. Geddes?

ASSEMBLYMAN GEDDES: Mr. Hewitt, I am very much interested in your presentation. I take it that you have given a considerable study—your association has—to the Collier Report, which is now quite voluminous and is made and brought in first in one section and then in another, and seems to be going through certain processes of amplification as time goes on. Is that your understanding of the report?

MR. HEWITT: Yes sir, we had a little difficulty in trying to pursue an investigation of the first program, because it seems to be impossible to get all the parties together, inasmuch as the program seems to change from day to day, and hour to hour.

ASSEMBLYMAN GEDDES: Now, we also had submitted to us as members of the committee—and doubtlessly this information is available, because it seems, as far as I can determine, to be a reprint of information previously submitted to the Senate—certain tabulations showing the requirements year by year for a 10-year period, and the sums expected under current revenues, and the sums to be expended. You probably have seen those figures.

Do you know anywhere in the Collier Report, or any other data which has been assembled on it by any Member of the Legislature to the Collier committee, anything that says when, and where highways would be built during the first year or two of starting in on a 10-year program?

MR. HEWITT: I don't, and that has been a point of our greatest concern.

ASSEMBLYMAN GEDDES: That is what I wanted to get in the record. Thank you, Mr. Hewitt.

CHAIRMAN HOLLIBAUGH: Any other members have questions to ask? Mr. Thomas.

ASSEMBLYMAN THOMAS: Mr. Hewitt, in your statement you stated there is no proof as yet made that it is necessary to increase the gasoline tax or fuel taxes? Isn't it a fact that there is only approximately $27,000,000 in the Highway Fund, from evidences of the Governor's address and records and statements made by the people who have custody of the funds?

MR. HEWITT: That is correct, according to the unexpended balances, which I understand to be in the fund, but doubtless it covers some work that is committed, which is subtracted from funds as soon as orders are written, but not necessarily meaning that any contract has been let or any work started.

ASSEMBLYMAN THOMAS: From the contentions of this letter, which I have studied very carefully, your organization is for highways?

MR. HEWITT: That is correct.

ASSEMBLYMAN THOMAS: Now, you make no recommendation as to how it should be financed?

MR. HEWITT: No sir, because we do not feel that we have—we do not feel, let's say, that a balance sheet of proposals on the basis of construction costs and what is going to be purchased and so on has been made available to the taxpayers.

ASSEMBLYMAN THOMAS: Well, the statement was made in the letter, that you are for state highways in this state highway program—you are also endorsing the construction of the new freeways or the expressways —that all of these bills generally will provide for—or are you only supporting improvements of the critical conditions on our state highways?

MR. HEWITT: We try to work that very carefully—

ASSEMBLYMAN THOMAS: Your letter doesn't seem to be clear as to what you are for. Are you supporting the entire highway program?

MR. HEWITT: We are supporting a program which will provide us with a good efficient highway system, including whatever is necessary to accomplish that purpose, but without what is unnecessarily burdensome to the taxpayer.

ASSEMBLYMAN THOMAS: That includes the proposed new freeways?

MR. HEWITT: There undoubtedly would be some expressways that seem to be the better way of moving through traffic. That would have to be done through analysis.

ASSEMBLYMAN THOMAS: You haven't made any study, of course, on cost or comparison of all the reports that were filed?

MR. HEWITT: We have made quite a few comparisons to the best of our ability, and some of those concern us, frankly.

ASSEMBLYMAN THOMAS: I mean, have you compared the Kennedy Report with the Collier Report and various other reports that have been produced by other committees—have you compared the facts and figures of those reports as to costs?

MR. HEWITT: We have tried to do our best where we could. The Kennedy Report, the Freeway Committee Report, Mr. Petree discussed here yesterday, and some others.

ASSEMBLYMAN THOMAS: So, in other words, you have knowledge when you make a recommendation for the highway program—you made it with the knowledge of all of these existing reports and what they had provided for?

MR. HEWITT: And pointed out the fact that they were conflicting.

CHAIRMAN HOLLIBAUGH: Any other Member of the Assembly? All right, Mr. Ralph Dills.

ASSEMBLYMAN RALPH DILLS: May I ask this? I was outside when a motion was passed, the contents of which motion I did not hear. I don't want to interfere with Mr. Hewitt's departure—I just wanted to discuss it.

I am wondering whether or not a gag has been put on the asking of such questions here, and if such a gag has been put on here. I want to ask about materials that are going in the highways—then my question would be out of order?

CHAIRMAN HOLLIBAUGH: Well, the motion was made that after a witness had offered his testimony, that questions first should be asked by the members of the committee, then by Members of the Legislature. The questions must be germane to the subject, so the subject is some six or seven Assembly bills, everything to do with the highway program at this special session of the Legislature.

ASSEMBLYMAN RALPH DILLS: Would it be your interpretation, Mr. Chairman, that the question of availability and prices of materials is germane to the subject under inquiry?

MR. HEWITT: It most certainly is.

ASSEMBLYMAN RALPH DILLS: Then I want to ask Mr. Hewitt a question.

CHAIRMAN HOLLIBAUGH: I will first ask the members of the committee, and when they have finished, then I will ask the Members of the Legislature. Mr. Thomas?

ASSEMBLYMAN THOMAS: I would like to know—your organization has no objection to increases in taxes if these are necessary to construct this highway?

MR. HEWITT: I think I would like to say this way, Mr. Thomas; that our organization is agreed and is for a good highway system, if it is absolutely necessary to increase taxes to pay for such a highway program, I can't see that our people would have objections to it, but I do think that they want to have it shown, as taxpayers, that there is a real need for additional taxes in accordance with a program that can be accomplished, because as Mr. Geddes mentioned, there is no basis for this program yet—it is all a general problem yet.

ASSEMBLYMAN THOMAS: I want to know whether I am able to say that the Merchant's and Manufacturer's Associations are endorsing an increase in taxes—well, the California Manufacturers—I mean I want an answer and I want to know what I am in a position to say—that your organization favors an increase in taxes for the construction of highways. Am I in a position to say that?

MR. HEWITT: Would you be in a position to say to your constituents that the California Manufacturers Association is not satisfied that there is a need for an increase in taxes to have a good highway program, but if such is developed, and there is a need proved clearly, then; yes, we are for the additional taxes.

ASSEMBLYMAN THOMAS: I don't seem to get clear into my mind just actually what your organization is advocating—that is why I am trying to get an answer that is satisfactory. You recommend the construction of all these highways—you recommend the adoption of the highway program. Now, the question number one is: How it is going to be financed, naturally.

MR. HEWITT: Point number one, Mr. Thomas: We don't recommend the construction of all these highways, or anything of the sort, because we don't feel that that is our business, our primary business. Our interest is in taxation. If we can perceive that there is a good program and that is properly financed, we say we are for a good highway program.

ASSEMBLYMAN THOMAS: And you will also endorse the additional highway patrolmen, is that correct?

MR. HEWITT: That is a personal statement I interjected.

ASSEMBLYMAN THOMAS: Oh, I thought you said that was number 4.

MR. HEWITT: No sir, I say that is a personal statement.

ASSEMBLYMAN THOMAS: Because the bill here asks for two hundred or so new patrolmen.

MR. HEWITT: I will say that it is not an official recommendation.

ASSEMBLYMAN THOMAS: Then I am in a position to say to my constituents that your organization is in favor of increased taxes only in so far as necessary to construct highways needed—needed highways?

MR. HEWITT: Well, we are not satisfied that there is a need as yet for additional finances.

CHAIRMAN HOLLIBAUGH: I think he has answered your question, Mr. Thomas. Mr. Ralph Dills?

ASSEMBLYMAN RALPH DILLS: Have I got a clear signal now from all the members of the committee?

CHAIRMAN HOLLIBAUGH: I think so.

ASSEMBLYMAN RALPH DILLS: Mr. Hewitt, I want to compliment you and your group here publicly for the fine service to us for your report of the availability of materials for construction in the State of California. It was an excellent thing, and I wish it were available for all of the other Members of the Legislature.

Now, I am directing my question to you with respect to material, because I know that your group has made an exhaustive study of it, and my question is this:

In the opinion of your group, does it appear to you that materials such as cement and steel and those materials which would go into the building of highways, bridges, culverts, expressways—that there will be a leveling off and a gradual decline in the cost of those materials?

MR. HEWITT: First, Mr Dills, may I get myself off the spot and say that whether asphalt or cement is sold or not, that it really makes no difference to the California Manufacturers Association—that is, we are not as an association concerned about it? In the second place, we discussed with you, there is a very severe shortage of steel. As a matter of fact, the metal shortage is probably the thing that is holding up the construction of houses more than any other, as far as material is concerned.

ASSEMBLYMAN RALPH DILLS: That is true with respect to the kind of steel that would go into highways or bridges?

MR. HEWITT: Well, there is a shortage of ingot steel, and while there is a greater shortage of sheet steel, based on the limited capacity of rolling mills and so forth, there is still a shortage of steel compared with the existing requirements and demand.

ASSEMBLYMAN RALPH DILLS: Now, addressing yourself to my question—in your opinion or the opinion of your group that made a survey for your association; are you in a position to express a feeling or an opinion with respect to whether or not prices are going to go down or what is the opinion of your group?

MR. HEWITT I think that is an opinion that is very difficult to give, Mr. Dills. We did say in this statement on highways that in our opinion, and common knowledge, the costs of construction are too high.

ASSEMBLYMAN RALPH DILLS: Is there any shortage of cement at the present time?

MR. HEWITT: There is not a shortage of cement at the present time. Whether or not the requirements of this program added to the existing requirements of a highway program would create a shortage of cement is something else.

ASSEMBLYMAN RALPH DILLS: There is a shortage of labor so far as you are able to determine?

MR. HEWITT: As we understand from the building and construction people, there is a shortage of labor, but it is not our labor. We have a shortage of labor—artisans, vitreous china processing, enamel, and things of that sort.

ASSEMBLYMAN RALPH DILLS: But you do not care to express any opinion as to whether or not prices are likely to decline within any substantial time—within, say two years, or three years or so?

MR. HEWITT: They are leveling off right now, and getting firmer.

CHAIRMAN HOLLIBAUGH: All right, Mr. Thomas.

ASSEMBLYMAN THOMAS: Thank you, there is some question as to whether this construction will conflict with construction in private industry and expansion of industry, and also in the construction of our institutions. Now, I talked to one of the people in one of our local utility concerns here yesterday that tells me at the present time they had a shortage of wire and cable, so that they were not able to take care of all the applications for service that they have and they have a priority system so that they can figure out the most service they can out of a line, where the line will be placed and so forth, and they further tell me that the building of these highways and things, that they have to re-route their main lines and build new conduits and transformers and things like that that go into keeping up a utility. With the present shortages they are having enough trouble trying to take care of the present applications without taking care of this new construction.

Now, it seems to me that all the wire along the line, in addition to steel and concrete which you mentioned, would make quite a shortage; isn't that a pretty good statement—I mean isn't that pretty much the picture?

MR. HEWITT: Well, it is an added requirement. Of course, we again make the point—I told Mr. Anderson, nobody can tell how much can be accomplished, and just how much material would be needed in 1947 or 1948. It is very difficult to say definitely that there would be a shortage or too great a load, because maybe they can't do very much in 1947.

ASSEMBLYMAN THOMAS: Well, it seems to me at least they would have the plan set up for re-routing, therefore, these different utilities would certainly have to do planning and save materials for these new diversions and conduits and things like that, from their new applications and new construction, so that when they began to construct these new routes, the utilities would have the material to change their own lines to go across the proper crossings on the highways. It seems to me that it would even make the present shortage of telephone, lights, and things like that more acute. Now, isn't that pretty much correct?

MR. HEWITT: It would certainly seem that way; of course, it would be appropriate to mention in connection with that that Mr. *Bower* brought out that in his committees, surveys, and so forth, the introduction of these freeways and so forth would de-house some sixty-two thousand people who were now housed.

CHAIRMAN HOLLIBAUGH: Thank you for coming here today, Mr. Hewitt. Mr. Chester Warlow at this time, one of the members of the Highway Commission, who was requested yesterday by Mr. Evans to stay over in order that he could question you, Mr. Warlow.

I want Mr. Kaiser to know that he is coming up next. Mr. Chester Warlow now. Mr. Evans.

ASSEMBLYMAN EVANS: Mr. Warlow, you are a member at the present time of the Highway Commission?

MR. CHESTER WARLOW: That is correct.

ASSEMBLYMAN EVANS: How long have you served on the Highway Commission?

MR. WARLOW: Since the reorganization—that date was the latter part of September, 1943.

ASSEMBLYMAN EVANS: I see. Now, what is your business, or occupation, outside of that, Mr. Warlow?

MR. WARLOW: I am retired.

ASSEMBLYMAN EVANS: You are retired?

MR. WARLOW: Formerly a banker and attorney.

ASSEMBLYMAN EVANS: Are you the Chester H. Warlow who made a few speeches and a few press releases with reference to the passage of the highway program?

MR. WARLOW: That is correct.

ASSEMBLYMAN EVANS: You are from Fresno?

MR. WARLOW: Correct.

ASSEMBLYMAN EVANS: Well now, Mr. Warlow, let me ask you: Have you read the Kennedy Report?

MR. WARLOW: I have.

ASSEMBLYMAN EVANS: You have read the Collier Report?

MR. WARLOW: Not all of it.

ASSEMBLYMAN EVANS: Well, is it your opinion that the Kennedy Report recommended a two-cent raise in gas taxes?

MR. WARLOW: I did not.

ASSEMBLYMAN EVANS: Well, did you make a release to the *Fresno Bee*, dated January 31, while this House was in session, stating that Mr. Purcell, State Director of Public Works, the Collier Committee on Highway Improvement, the Kennedy Engineering Report, all backed a two-cent tax?

MR. WARLOW: I don't know that the statement was made in that exact form, Mr. Evans, as the program at that time was being discussed generally was a two-cent increase in the gas tax, and talking to Mr. Millard I undoubtedly mentioned that fact.

ASSEMBLYMAN EVANS: There is the little releases—(indicates) and you said these things, Mr. Warlow, and things like this confuse the Legislature. You want to understand that the Assembly—

MR. WARLOW: I don't think you are confused, Mr. Evans.

ASSEMBLYMAN EVANS: I think we would be. The Fresnan said, "the do-pass recommendation of the Senate Transportation Committee for two cents a gallon increase in taxes as well as a new formula for truck taxing to equalize the automobile and truck tax rate has the approval of the following: C. H. Purcell, State Director of Public Works, the Collier Committee on Highway Improvement, Kennedy Engineering Report, Zettel Final Analysis Report, and the Highway Commission."

MR. WARLOW: It would be my understanding of the situation that the Kennedy Report did not make any final recommendation. The other is probably correct.

ASSEMBLYMAN EVANS: Did the Highway Commission make a recommendation that the two-cent gas tax made?

MR. WARLOW: No sir, but Mr. Purcell did.

ASSEMBLYMAN EVANS: We also state there is another release here from the *Fresno Bee* that the lobbyists swarmed the Capitol, headed by a

man named Don Gilman, a Western Oil and Gas Association representative. Do you know Mr. Don Gilman?

MR. WARLOW: Not personally, no. I know who he is and know the set-up.

ASSEMBLYMAN EVANS: Well, honestly, Mr. Warlow, and don't say I am not confused. I have been in this House for 10 years, and I know most of the lobbyists, and I don't know Mr. Don Gilman, and never saw the man—he was supposed to swarm the Capitol, and he was supposed to tell the Legislature what they were supposed to do, and what they were supposed to do with reference to the highways program, and that Collier Committee Report, and the Senate acted from unfairness in this whole highways program. When we recessed for 30 days, and this is the first time that many of us have seen Senate Bill No. 5, and outside of rumors flying around, how were we to know what action was necessary? I say these things further confuse us, when they say lobbyists—I say that of every person—how much time did you spend lobbying in behalf of this bill?

MR. WARLOW: I haven't spent any time, Mr. Evans.

ASSEMBLYMAN EVANS: That is it. You see? You expect us to try to make something out of a bill of this sort in this short time, but in any statement released by you, you say you haven't spent any time, but I quote you from the *Fresno Bee* again, wherein it is stated, "if there are enough people in the State of California mindful of the necessity of the highway, flood letters to their representatives in Sacramento indicating they should stay in session until the program is completed, it can and will be passed, provided the Legislature stays in session," but as a highway commissioner you spent no time, and we are supposed to say here now as this propaganda grows—I want to say this to you, Mr. Warlow, that the Los Angeles Delegation prior to this recess, voted 30 to 1 to postpone any action on the highway program—did you know that?

MR. WARLOW: I did not.

ASSEMBLYMAN EVANS: You did not—well, that is so. Those facts can be verified, and I think there are enough Los Angeles legislators on the floor here today listening to this here that will tell you that is a fact. I think the chairman of the Los Angeles Delegation is right up there—he is the chairman of this committee, and he will tell you that it is a fact, and certainly how can we possibly pass any sort of a highway program in this House without the support of the Los Angeles Delegation—not that it is the only one, but it has 31 in it, and it is going to take 54 to pass any bill—we only have 80 in here—

You happen to know a supervisor—Chairman of the Board of Supervisors in Los Angeles County, named Mr. Ray Darby?

MR. WARLOW: I do not. I would like to—

ASSEMBLYMAN STEWART: Mr. Darby has nothing to do with reference to the revenue and taxation program that we are undertaking to develop here. It has nothing to do with it.

ASSEMBLYMAN EVANS: Now if Mr. Stewart will make a point of order, then that question is up to you, Mr. Speaker, to rule me out of order or not, but I will say that as Mr. Warlow has made a statement here that there were people up here opposing this highway program and trying to precipitate a split between the city and county representatives of the municipalities and the rest of them, and thereupon cause a

jam in the session and defeat the highway program, and my friend, Mr. Stewart, if he knew Mr. Darby—Mr. Warlow knew Mr. Darby, is because Mr. Darby testified before the Los Angeles Traffic Investigation Committee about a week ago Tuesday, and I asked Mr. Darby, Chairman of the Board of Supervisors, "Do you think the Los Angeles area gets a fair break under this bill, under the Collier Report," and he said, "No," and I asked, "What do you propose we do with it," and Ray Darby said, "Kill it," and I certainly didn't see anybody in the place asking him to say that or anything else. Ray Darby is a man who has been in it for many years—

ASSEMBLYMAN JAMES: A point of order. We just formulated some rules confining the questions to the relevancy to matters before the committee, so I will raise the point of order. It is not relevant.

CHAIRMAN HOLLIBAUGH: Mr. Evans, the point of order is before the chairman.

ASSEMBLYMAN EVANS: The only thing I attempted to do—but I say that when we take a program which we will admit is a large program, the biggest one this Legislature has faced, and then we have all these statements released prior to the time we see the bill, and in fact knew of it, and have these lobbyists against the bill, when we didn't even know what was in the bill, and I don't think they could actually inform us what was in it themselves, but if my line of questioning is not right, I did prove this point—I think it is bad policy to go around using this song that starts out with, "Rumors are flying, defeat the legislation," and I don't know what is meant by, "Keep them on the job, make them stay on the job and pass a bill." If anybody tried to do that with me, you know what kind of a vote they would get.

CHAIRMAN HOLLIBAUGH: Has anyone else anything? (No response). You may be excused, Mr. Warlow, thank you very much.

MR. WARLOW: I am sorry that none of the testimony has had anything to do with the relevancy of the highway program. I think it is a very desirable thing that California's highways be built and that some system of financing to adequately provide those highways be taken care of by this session of the Legislature. Mr. Baker has testified at great length here, and has expressed the ideas of the California Highway Commission and I want to assure you, all of your committee, that from my personal knowledge of over twenty-two thousand miles of travel on the California Highway System since I have been on the commission, that I personally have observed many of these critical deficiencies and that I am thoroughly in accord with the recommendations of the engineering report to the Collier committee.

CHAIRMAN HOLLIBAUGH: Just a moment, Mr. Warlow, I believe we have someone else here. Mr. Cooke?

ASSEMBLYMAN COOKE: I wonder if I would be allowed to ask the gentleman a question?

CHAIRMAN HOLLIBAUGH: Yes, Mr. Cooke.

ASSEMBLYMAN COOKE: In the consideration of this program, this large program, as I understand it, expressways have been considered from one end of the State to the other.

MR. WARLOW: That is my understanding of what is included in the bill.

ASSEMBLYMAN COOKE: Well, now, of course we all know that we need expressways, and need some improvement down south, say south of Sacramento, maybe, but what effect did this have on this program if we cut out the rebuilding of the highways north of here?

MR. WARLOW: I think the program is a program that requires it to be put over as a whole, that you cannot segregate one part of the program from another and that work to the north of Sacramento is important as well as work to the south of Sacramento.

ASSEMBLYMAN COOKE: Well, is it true that the traffic isn't as heavy up north from here?

MR. WARLOW: From my knowledge of the set-up and the reports and the investigations which have observed the program and has been analyzed on the basis of traffic counts as they vary and I am quite sure that construction, whether it be through four lane or six lanes, it will conform to about the size the traffic counts indicate at the time the construction takes place.

ASSEMBLYMAN COOKE: Well, of course, in this construction in the plan, the parts that would be undertaken first is where it is most critical?

MR. WARLOW: To some great extent that is true, but, on the other hand, if you will examine the actions of the Highway Commission over a number of years, you will observe that in considerable part construction has been carried on in a great number of different places in the State and that we will be taking the critical problems, not just in one part of the State, but in all of them, and those most critical, of course, will be constructed first.

ASSEMBLYMAN COOKE: Thank you, Mr. Warlow.

CHAIRMAN HOLLIBAUGH: Mr. Evans?

ASSEMBLYMAN EVANS: Mr. Warlow, my reason for asking you if you had known that the House recessed—I mean that the Los Angeles delegation recessed by a vote of thirty to one to not take up this in the January session, under the Governor's plan to jam the bill through, you will agree that our county pays substantially the major part of the money in any project that may be put over?

MR. WARLOW: My understanding is—

ASSEMBLYMAN EVANS: Now—

MR. WARLOW: —just a moment, Mr. Evans, let me answer the question—my understanding is that the Los Angeles County contributes on the basis of automobile registration about 42 percent.

ASSEMBLYMAN EVANS: That is right, now, when we from Los Angeles look at a situation on this critical deficiency program, we find out that Alpine County is allotted $3,942,000. The total automobile registration is 114. That is about $34,597 per registered vehicle. Now, you can't blame us from Los Angeles looking at that. You can see that, can't you?

MR. WARLOW: Los Angeles will always manage to take care of itself.

ASSEMBLYMAN EVANS: Thank you, Mr. Warlow.

CHAIRMAN HOLLIBAUGH: Assemblyman Anderson.

ASSEMBLYMAN ANDERSON: Mr. Warlow, I want to get some views from you, because as a member of the Highway Commission, I know that your testimony is probably a whole lot better than most of this received so if you heard Mr. Petree's remarks yesterday, in which he suggested that the money be spent where it is raised, and he brought out this 60-40

formula for spending 60 percent in the south and 40 percent in the north. What is your view on that?

MR. WARLOW: I want to say that that matter now has become one of legislative importance and legislative determination. That present form, in my understanding, of the bill across the house is that the old moneys, shall we say, are to be divided 50-50, and that the new moneys are to be divided 55-45. I am not in accordance with it exactly.

ASSEMBLYMAN ANDERSON: Fifty-five-forty-five. Fifty-five to Los Angeles—south, and forty-five to the north. That is the new money?

MR. WARLOW: Now, I am not in accord with the percentage—I am speaking from the personal standpoint in the fixed proposition of Mr. Petree, that money should be spent where it is raised—if you mean by that, each county is a separate unit. As a general principle and with some reservations there is nothing the matter with that principle, if it is using the two divisions of the State as the units of placing the money.

ASSEMBLYMAN ANDERSON: What has your commission itself—have you made any recommendations upon that allocation of money?

MR. WARLOW: That would be highly improper in my judgment, for the commission to infringe upon the legislative functions.

ASSEMBLYMAN ANDERSON: No, but that—

MR. WARLOW: No, and I am sure they have not done so.

ASSEMBLYMAN ANDERSON: —but there is a Department of Public Works, as to where this money is to be spent. What does the Highway Commission have to do with the preparation or help to prepare this report?

MR. WARLOW: Those reports are filed by the engineering department, that is by the Department of Public Works Highway Department, at the request of the legislative committee. They are filed on the basis of written requests and the Highway Commission as such, is not involved in that report and the request.

It is a committee request from a group of experts and is not the commission report.

ASSEMBLYMAN ANDERSON: Has the Highway Commission had anything to do with this second and third deficiency reports, and breaking them down? They have anything to do with them?

MR. WARLOW: They have not.

ASSEMBLYMAN ANDERSON: In other words, they have not given a recommendation as to the allocation of the money?

MR. WARLOW: No.

ASSEMBLYMAN ANDERSON: What about this question of the public utilities—has that come before the Highway Commission, and have they taken a stand as to what the public utilities should pay for in the removal of their utilities?

MR. WARLOW: The Highway Commission as such, has not taken that into consideration. I might make a personal statement in that respect as to what is going on.

In the allocation, or relocation of the highways where a public utility has a right of way, or other ownership, which is to be moved by our construction, then on the basis of that ownership, they are entitled to compensation under the general provisions of the law like any other person who has an ownership.

On the other hand, if they are on our right of way by permissive occupancy, they are there under a contract which requires them to move whenever we ask them to. They have enjoyed the privilege of not paying for a right of way, they have enjoyed the use without rent and under their contract, they move as and when we require them to do so.

ASSEMBLYMAN ANDERSON: Then it would be your opinion then, in a community where the municipality had its own public water plant, and was using a state highway, and they have been using that highway through an easement for their water line, that if the State wanted to go through there now, they will have to remove it themselves and pay the total amount to remove it.

MR. WARLOW: Their rights in that respect would have to be determined on the basis of what legal facts there were and the legal conclusions from those facts, and further than that, I would not want to express an opinion.

ASSEMBLYMAN ANDERSON: I don't see where there is a matter of legal conclusions.

MR. WARLOW: I don't care to attempt to answer that legal question. I think that is a matter for a lawyer.

ASSEMBLYMAN ANDERSON: This is something we are going to have to vote on it.

CHAIRMAN HOLLIBAUGH: Any other members of the committee wish to ask Mr. Warlow any questions? Any Member of the Legislature—just a moment, Mr. Knight, excuse me.

ASSEMBLYMAN KNIGHT: I want to get myself clear in regard to your recommendation in regard to the proposed highway plan. Is it my understanding that you feel that a plan must be adopted and financed as a whole if it is going to be successful and satisfactory to both the taxpayer and to the commission and the Highway Department?

MR. WARLOW: And the motorist and other people. I think that the Highway Commission, though we have a very large State, the highway system should say it is really a unit, and that all of it is correlated and must be developed with a broad state-wide view.

ASSEMBLYMAN KNIGHT: And that must be done now?

MR. WARLOW: I think it should have been done at least six or eight years ago, as a starting point, instead of now.

ASSEMBLYMAN KNIGHT: Then, if we start now, we will only be six or eight years behind?

MR. WARLOW: That is the point where we are murdering people.

ASSEMBLYMAN KNIGHT: Now, when you suggest or recommend—that is, your commission agreed upon, insofar as the expenditure is concerned, we have several suggestions here, and I am concerned, and the committee is, in regard to the amount of money that will be necessary to finance the plan that you and your associates believe is necessary for the State of California to implement it at this time?

MR. WARLOW: Mr. Knight, I tried to make it clear a while ago that the commission in its official capacity has not, and doesn't have the right, to make a recommendation to the Legislature as to a future highway program.

On the other hand, under the law, the engineering department of the State Highway System, is at the service of any group of the Assembly or Senate to furnish any material that the committee may require or desire.

Those reports are the reports made by the engineering department on the basis of written specific requests from the committees.

ASSEMBLYMAN KNIGHT: Those engineering reports—can they be implemented in any other way except action of the commission—can they be implemented without your action?

MR. WARLOW: We as a commission have no part and no control over that kind of a report. Of course, we have a great deal of confidence in the engineering department and from my personal checking over with things that have gone on here—I am familiar with a great many of the projects that are involved—I am satisfied that personally—but not in the official capacity as a highway commissioner—that the reports are excellent reports.

ASSEMBLYMAN KNIGHT: Then you have no control over the action of the engineering department or the Department of Public Works, whatsoever, as I understand it?

MR. WARLOW: That is not correct. In our official capacity in relation to construction matters and those things which the Legislature has committed to us, we do have control over the Highway Department.

ASSEMBLYMAN KNIGHT: And after the money is appropriated, then you have control over what that money shall be spent for?

MR. WARLOW: Yes, that is correct. We designate what, where, and when.

ASSEMBLYMAN KNIGHT: And then any moneys that we appropriate at the present time will be—the final approval of their expenditure will be made by your commission?

MR. WARLOW: That is correct.

ASSEMBLYMAN KNIGHT: And then what sum do you recommend that we vote for you at the present time to be expended in the way of a highway program?

MR. WARLOW: That is a matter that we have not taken a position on, and it is not our proper function to do that.

ASSEMBLYMAN KNIGHT: I see. Then you, but—on the other hand, you say that we must adopt a program as a whole, but have no suggestion as to what that program may be and we must vote enough money to carry out a program which is not in existence so far as your mind is concerned, is that correct?

MR. WARLOW: That is a correct question, or doesn't it permit of an answer?

ASSEMBLYMAN KNIGHT: Well, apparently you can't answer the question as to what the program would be in the opinion of the commission?

MR. WARLOW: Mr. Knight, as an individual citizen, I have a very definite idea of what a state-wide program ought to be, so far as projects in general are concerned and not in too much detail. I am perfectly willing to discuss that matter as the private individual expressing a private view.

ASSEMBLYMAN KNIGHT: Of course we would like to have the advice of the commission if they have any advice in regard to what they believe as the problem they will finally have to debate upon, but if you haven't that, of course we can't get it at the present time. I thank you, Mr. Warlow.

CHAIRMAN HOLLIBAUGH: Mr. Heisinger.

ASSEMBLYMAN HEISINGER: Mr. Warlow—

MR. WARLOW: Sam, that is a little unusual for you to call me "Mr." Warlow.

ASSEMBLYMAN HEISINGER: Yes, I remember your father when he used to supervise races a long time ago, and I enjoyed them very much, and I am inclined to think that these hearings are going too much on the categorical and cataclysmic proposition, so far as I am concerned—

CHAIRMAN HOLLIBAUGH: I would prefer, if you want to go into that, that you wait until the meeting is over. This is a committee and you are not a member of the committee, and we extend you the courtesy of asking questions, but we do not welcome your criticism of the committee. Now, if you desire to question Mr. Warlow—

ASSEMBLYMAN HEISINGER: I desire to.

CHAIRMAN HOLLIBAUGH: Very well.

ASSEMBLYMAN HEISINGER: Mr. Warlow, has the commission as such recognized that the state financing system is below par and not keeping up the highway system?

MR. WARLOW: By no official resolution has such been done.

ASSEMBLYMAN HEISINGER: By no formal conversation and resolution?

MR. WARLOW: I am prepared to say that every member of the commission as an individual realizes the exceedingly critical condition of the highway system in its present form.

ASSEMBLYMAN HEISINGER: A while ago you made the statement in answer to a question of Mr. Knight, that you thought that we should have started a plan six years ago and that we will be six years behind even if we start now.

MR. WARLOW: If you will examine the records, you will find that under Mr. Olson's administration, there was a formal report recommended by the Director of Public Works. Then Mr. *Clark* pointed out what was happening and called attention to these deficiencies and then apparently to every person who was connected with the Highway Department, nothing came of that report, and it is unfortunate in that it didn't.

ASSEMBLYMAN HEISINGER: In your opinion, if the Commission hasn't taken official action—in your opinion, do you believe that the State of California should, on account of its large traffic in automobiles, should be on a par with other states on the gas tax?

MR. WARLOW: I don't think that question, Mr. Heisinger, this question of par as to the gas tax—I don't believe that enters in as a determining factor. I think the determining factor is what the necessary highway system that California requires is, how much is it going to cost to do that job, and then raise the necessary finances to do it. I believe that the people of the State of California are willing to raise the necessary funds to build our highway system as it ought to be built, without any relation to whether some other state is paying eight or ten or five cents for gas taxes.

ASSEMBLYMAN HEISINGER: The reason I asked that question, Mr. Warlow, of course, I am told we have received thousands of cards to be distributed to us Assemblymen, and all—nearly all—of them proposed an increase in the gas tax, and I am wondering if the commission feels that the gas tax along with other taxes should be increased so as to get the critical condition in better shape which you mention.

MR. WARLOW: Again I say, Mr. Heisinger, that the commission has not taken any action in that respect, and within its legal capacity and functioning, it would be improper for it to do so. As an individual, my personal opinion is that the program of increasing the taxes on the user is the best and most satisfactory way of paying for necessary highway construction.

ASSEMBLYMAN HEISINGER: Thank you, Mr. Warlow.

CHAIRMAN HOLLIBAUGH: Mr. Dills—say, just a moment, I think we should take a little recess. Our reporter has been working hard, so we will recess for 10 minutes if there is no objection. (No objection voiced.) So ordered.

(Thereupon a recess was taken for a period of 10 minutes.)

CHAIRMAN HOLLIBAUGH: Meeting will come to order, and we will now hear from Mr. Leland Kaiser—oh, pardon me, we didn't finish with —I am all confused here, I am sorry, Mr. Warlow, thank you Mr. Dills, I was anxious to get the meeting on its way.

ASSEMBLYMAN RALPH DILLS: Have I cleared everything with Sidney and everybody so that I can talk and question now, Mr. Chairman?

MR. WARLOW: Just before Mr. Dills starts, on my remarks a moment ago, I made one error. Yesterday the Highway Commission had a meeting and endorsed a statement and authorized Mr. Baker to make a statement on behalf of the commission. In that statement the figure of $75,000,000 a year was given as a minimum, which corresponds to my statement here as an individual appearing, and so that figure is the official act of the commission as well as my own.

ASSEMBLYMAN RALPH DILLS: Mr. Chairman, may I proceed? I assume that I may, so I will proceed. I know that everyone of us is in a hurry, Mr. Warlow. You were present yesterday when I was asking Mr. Baker regarding the $40,000,000 in projects which had been let, but for which there was no money available—you were present at that time?

MR. WARLOW: Mr. Dills, I was present all during the session yesterday afternoon, and I would be glad to go into any of the details regarding this postwar program, if you desire to question me in that respect.

ASSEMBLYMAN RALPH DILLS: Well, I want to ask you this question: There were some 69 projects—if my memory of them is correct—which were approved during 1944 and 1945, but upon which—and some in 1946—but upon which work was not undertaken for the reason that, as you say, you didn't have the funds to so do. Were those considered to be critical deficiencies in our highways?

MR. WARLOW: Yes.

ASSEMBLYMAN RALPH DILLS: Then subsequent to that time your commission did, in fact, authorize the starting and completion of numerous other projects in this State?

MR. WARLOW: I can give you that picture very briefly and completely here. This postwar program which was a program authorizing the preparation of surveys and plans was adopted on November 18, 1943, and then revised on January 20, 1944, just two months later, and that became the official postwar program. Surveys and plans went ahead on the basis of $12,000,000 that the Legislature gave to the commission. Then as soon as "J-V" (V-J Day) day happened, we took out of that program for immediate construction a total of $40,000,000, in round figures, and

that was adopted as of September 24, 1945. Then another proof of projects, totaling $34,000,000 in round figures, was adopted as of April 18, 1946, and authorized to proceed to construction. Then in November 21, 1946, a further amount for the year 1947 and 1948 was taken out of that postwar program. That amounted to $22,900,000, and out of it, that left remaining out of the total postwar program a sum of approximately —of approximately $40,000,000, which is beyond the period of our present budget making.

ASSEMBLYMAN RALPH DILLS: Well, can you give me the total or do you have that, or do you know the total amount of funds that the Highway Commission has authorized expending for the construction of highways since—well, the last two years, 1945 and 1946.

MR. WARLOW: According to these figures, it is right at $96,000,000.

ASSEMBLYMAN RALPH DILLS: Right at $96,000,000 for the two-year period?

MR. WARLOW: Well, it will be a little more than that, because you started in September of 1945, and we are running to June 30, 1948, as your construction set-up.

ASSEMBLYMAN RALPH DILLS: Then we have spent something in the neighborhood of $100,000,000 and authorized the expenditure of something in the neighborhood of $100,000,000 in the last two or four years for which money was available?

MR. WARLOW: That's correct, in some measure. You have this kind of a situation · That during the war, we were doing some construction. We had during the war certain critical projects that went ahead. You had construction which amounted to resurfacing and you had federal aid projects, which we built, and so during the war period we built about $60,000,000 worth of projects and of the total income that we had for construction purposes at the end of the war period was $19,000,000, carried over.

ASSEMBLYMAN RALPH DILLS: Could you refer—will you estimate or could we have with absolute or near correctness, the amount of money that we have spent that the commission has authorized spending since, say 1940?

MR. WARLOW: Well, I would have to ask the department to give those figures, because you see, it was along in 1943 that this new highway commission, under the reorganization, came into effect.

ASSEMBLYMAN RALPH DILLS: Do you have the figures since 1943?

MR. WARLOW: Yes.

ASSEMBLYMAN RALPH DILLS: You do have them?

MR. WARLOW: Yes, I have them generally, I have covered them.

ASSEMBLYMAN RALPH DILLS: What I am seeking, Mr. Warlow, is information for myself, and members of the committee, as to how much money we have in fact spent on our highways since 1943?

MR. WARLOW: I think that is a question that the accounting department of the highway engineers should give you, rather than me, to attempt to give, because I would only give it to you in round figures, and I am sure those figures are immediately available.

ASSEMBLYMAN RALPH DILLS: Do you suppose they are competent to answer that as to this estimated total?

MR. WARLOW (Directing to Mr. Vickrey): Mr. Vickrey, do you have the answer to that figure?

ASSEMBLYMAN RALPH C. DILLS: The question, to restate it, is: How much money has the Highway Commission authorized spending, and has been spent by the Highway Department since 1943 in California?

MR. VICKREY: No, I don't have the answer to that question here this afternoon. I can get it for you.

ASSEMBLYMAN RALPH C. DILLS: I would appreciate it if you would. Now, you, Mr. Warlow, and the other members of the Highway Commission are under duty to determine whether or not the highways should be a four-lane or two-lane, or six-lane highway, aren't you?

MR. WARLOW: That is one of our functions.

ASSEMBLYMAN RALPH DILLS: When does it become necessary to convert a two-lane highway into a four-lane highway—what motivates you to make that determination?

ASSEMBLYMAN JAMES: I don't believe that quite follows the line of questioning as relevant to what we are seeking to find out today, and that is a fact that we can determine the rate of taxes on. Mr. Dills is going into very much detail about the administration and functions of the Highway Commission, I submit to you that is not relevant at all. That is just taking up the time of the committee.

CHAIRMAN HOLLIBAUGH: I would like to remark on that—if he is trying to determine when they change from two to four-lane highway and gets into the costs, I think that is relevant, because that is important in our program. I gather that is what we are trying to determine?

ASSEMBLYMAN RALPH DILLS: How do we know how much will be needed if we don't know how we are going to convert the two or four-lanes, and we are talking about the raising of revenues and making these conversions. I want to know what method—who determines—what formula the Highway Commission uses to determine the necessity for converting over and building a four-lane highway. I think that is certainly pertinent.

MR. WARLOW: Mr. Dills, I want to say that was one of the matters that concerned me in the early part of the commission, and I found that there were many related factors in relation to it. You cannot take a simple traffic problem and say that so many cars per day, or so many cars per hour, that you have to convert from a two-lane to a four-lane. There are factors such as the normal speed, or the average speed of vehicles at that time and place. There are other factors such as where the neighboring intersections of traffic are, and it involves a large volume of engineering data as applied to the particular place.

Now, at a time when such a matter as to that particular construction job comes up to the commission, those facts are then presented to us by the engineering department and upon the basis of those facts, we make a determination.

ASSEMBLYMAN RALPH DILLS: I see. Then after these facts have been presented to you by the department or by the Division of Highways, then your commission acts upon them, and upon their recommendations with respect to them?

MR. WARLOW: The general proposal as to all construction is that the engineering department proposes a certain project in a certain place and in a certain form, and then furnishes this data to justify their action, and we, as the lay commission, determine the factors from that.

ASSEMBLYMAN RALPH DILLS: Thank you. The record will disclose, Mr. Warlow, that Mr. Knight was interrogating you and made a statement which led to one made by you. He stated then if we start new we will be six or eight years behind. You replied, "That is the point where we are murdering people." Of course, I deeply resent the implication that the Legislature are murderers—

MR. WARLOW: None was intended, Mr. Dills, I assure you.

ASSEMBLYMAN RALPH DILLS: I don't know why you made the statement, but I wanted to ask you.

MR. WARLOW: If there was any personal offense taken, I certainly apologize.

ASSEMBLYMAN RALPH DILLS: I want to ask you what can we do about this situation—our Director of Motor Vehicles reported to the Governor for 1945, in all, 11,431 drivers and pedestrians were reported under the influence of liquor, in the 1946 casualties list.

In other words, about 25 percent of all reported deaths and injuries from traffic accidents involved liquor. Now, are we to assume that we can, by building four-lane or expressways, that we are going to get rid of this thing, and because we don't vote this that we are in a position of causing these deaths?

MR. WARLOW: You are going to get rid of some of them, but of course, by safeguarding your highways, you are not going to be able to get rid of all the drunken driving accidents, and I would hesitate to make a guess as to the segregation of what you can and cannot do.

ASSEMBLYMAN RALPH DILLS: I note with pleasure that you are much more cautious than you have apparently been in the statements to the press, and I want to ask that if in the future you make your statements to the press, you make them as an individual, and not in your capacity as a member of the Highway Commission. I think that you owe that to the Members of the Legislature to do so.

CHAIRMAN HOLLIBAUGH: Any other members wish to ask a question? Mr. Kirkwood.

ASSEMBLYMAN KIRKWOOD: I would like to ask—questions have been asked here as to the use of materials that are scarce. You have said that the commission has gone on record as feeling that a $75,000,000 a year program of construction, should be entered into. Would this actually—in comparison with the construction program which has been undertaken in the past year, result in any greater use of materials?

MR. WARLOW: It will result in some greater use, but you should recall, that immediately after the war, we started a very extensive program, that is now a little more than two years to run, in the sum of $96,000,000, or thereabouts, and that even on the basis of that use of material, and in the early conversion period, we did not create a condition where concretes, that is, cement, and steel bars, or the asphalt were scarce, and those materials, I am informed by the engineering department, are available and available in such amounts that an augmented program such as is being discussed by the committee, would not create a shortage in those materials, and would not interfere with other construction programs There is a shortage or a little difficulty in getting the bridge structural steels.

ASSEMBLYMAN KIRKWOOD: Do you feel that that structural steel is perhaps more readily obtainable because there is more profit to the manufacturer of that type of steel, and that not available for housing?

MR. WARLOW: I don't think that is the set-up. I had better say that I am not competent to answer it. Any general information is that a certain amount of mill-work produces bar steel and that there is no difficulty about getting that now. Now, the profit in the steelmills, I don't know anything about it.

ASSEMBLYMAN KIRKWOOD: Thank you.

CHAIRMAN HOLLIBAUGH: Thank you very much, Mr. Warlow, we appreciate your patience and thank you for staying over.

MR. WARLOW: You are welcome, I am glad to be of assistance.

MR. HARRISON R. BAKER: Yesterday I submitted the statement at the opening of my opening remarks—in my opening talk we have had, I presented the prepared statement, you recall, yesterday, at the initiation of my discussion, and we have had sufficient copies prepared to furnish each member of the committee with a copy of that statement which has been gone over by the commission, and with your approval, we would like to furnish each member of the committee a copy of the statement.

CHAIRMAN HOLLIBAUGH: Thank you very, very much. We will have them distributed. Mr. Lowrey, you have something?

ASSEMBLYMAN LOWREY: I am very sorry to interrupt, and I just came back, I wonder if I could ask Mr. Baker one or two short questions? I am sorry—

CHAIRMAN HOLLIBAUGH: We called for you, Mr. Lowrey, but you were not here at the time—

ASSEMBLYMAN LOWREY: I got into something else, and when we start it takes hours and hours—

CHAIRMAN HOLLIBAUGH: Well, we are glad that you at least got even that far—will you come up here again, Mr. Baker?

MR. HARRISON R. BAKER: I knew it was a mistake to come back here.

ASSEMBLYMAN LOWREY: Mr. Baker, I should like to know what is the thinking or policy of the commission regarding by-passing of cities and municipalities with these freeways or expressways, as we call them?

MR. BAKER: Mr. Lowrey, I think I can answer that in this way: That each of those highways and freeways, as respects each particular city presents an individual problem. In certain cases, it is desirable where we find that the great bulk of the traffic is through traffic, the destination of which is not to the city or the town, it is simply a movement of through traffic—it is desirable to by-pass a business center of the community, rather than go through in order to avoid disturbing as little as possible, the normal life of the community. We find from traffic studies that only a certain percentage of the traffic, in some cases, the traffic goes through and beyond the city, and a considerable portion of the traffic is routed to the city, or the town, as the destination and in those cases, we endeavor to take care of the traffic needs by having the highway continue to go through the city, so the traffic can reach its destination as easily as possible, but there is no straight rule on it. It has to be determined in each particular project.

ASSEMBLYMAN LOWREY: Now, yesterday you referred to the post-war program of the commission. Now, if I am asking questions to which you have already answered this afternoon, tell me so, and I will get it

from someone else, but yesterday we talked about the second deficiency program, and then you mentioned the postwar program. I believe I have learned this afternoon that your postwar program is not a part of these three programs which were discussed yesterday, is that correct?

MR. BAKER: No. I think, Mr. Lowrey, I answered that question earlier—this first critical deficiency program of $700,000,000, which was presented in the fall of 1943—was presented about the time that we were preparing our postwar program. We prepared a postwar program designed to cost about $120,000,000, which would be absorbed in the money we thought would be available for immediate postwar construction. That postwar construction was largely taken out of the $700,000,000 critical list.

ASSEMBLYMAN LOWREY: Now, we did mention some specific problems yesterday, so maybe I will be permitted to mention one here—starting at the "M" Street Bridge, and proceeding out to the Causeway—you are familiar with the program, I believe—which your commission adopted in October to build a freeway going south of what we call the "*Motel*"—present Highway 40—you are familiar with that, are you not?

MR. BAKER: Generally, yes

ASSEMBLYMAN LOWREY: Now, that is not a part of this deficiency program of which we speak, but that will be constructed in the near future, am I correct in understanding that?

MR. BAKER: I will have to ask Mr. McCoy to answer that question as to that specific project, or Mr. Vickrey will speak for us.

MR. VICKREY: I don't know that I can answer the question exactly, right now, just where that particular project sits in the program. It was, however, a part of the postwar program, also in the first deficiency report.

ASSEMBLYMAN LOWREY: Now, I would like then to ask you, Mr. Baker, inasmuch as I just came from the Governor's office in discussing this, and he is going to approve any vote on the whole program, do you intend to follow the same general policy of adoption of a program for the future—that is, setting up these freeways acquisition and so forth, as was followed in the accepting of the route of this particular piece which I mentioned now—I mean, are you going to follow the same general procedures?

MR. BAKER: I don't know just what you have reference to, Mr. Lowrey, our procedure in determining a freeway first entails our engineer's recommendations.

ASSEMBLYMAN LOWREY: Yes—

MR. BAKER: Secondly, a freeway in its very nature, requires certain street closing, or vacation of the whole street pattern, therefore it is necessary for the State Highway Commission to make an agreement with either the city or county through which the freeway passes, so that before the final adoption and routing is established, it is necessary for that routing to be passed on by both the Highway Commission and the local governing body, either the city council, or the board of supervisors, so that the local people can have the opportunity to present their views, either to the local governing bodies or the local commission, before finally adopting it.

ASSEMBLYMAN LOWREY: Now, we were told by Mr. Grumm within the hour, this project was set up ready to go, and that interested parties had been advised, and it is their own fault if they didn't come in and enter protest. Now, I am going to ask your people for a—incidentally, last night I was talking to a local supervisor, and this was the question he put to me He said, "Mr. Lowrey, do I have to accept state highways from the State if I don't want them?" and I said, "Well, I don't know." He said, "Well, do we have to accept gifts from the State when we don't want them, when we don't want a road from 'M' Street out to the Causeway?"

Now, is it the policy, or is it a law of the State of California that you can't have two roads paralleling each other close at hand?

MR. BAKER: I know of no such law, Mr. Lowrey.

ASSEMBLYMAN LOWREY: Yet Mr. Fred Grumm, within the past hour, pointed out to the Governor, that that was a law of the State of California and that the Department of Public Works had ample authority for giving something back to the county whether they wanted it or not. Is that going to be the policy that is adopted all the way down the line when you put in your new freeways?

MR. BAKER: I think what Mr. Grumm is referring to is this: The Legislature, as you know, designates the State Highway System, and it is designated by route numbers, and now, where the routing is changed, and a new route is adopted, we can't have two paralleling state highways, and an increase in the state highway mileage under the law; if we substitute that for the old location, and that is a matter of legislative direction, to the commission, otherwise we can continue to increase the mileage which the legislation set up as a part of the highway system, and we are bound on the law in that respect.

CHAIRMAN HOLLIBAUGH: Well, if you don't want the highways, give it to Siskiyou County—Mr. Geddes?

ASSEMBLYMAN GEDDES: Mr. Baker, you yourself say it was dangerous to ever come back on the witness stand when you got off once, but I listened attentively to your presentation yesterday. I am trying to get, Mr. Chairman, something that is related directly to raising taxes, a part of the hub that this whole thing revolves around.

Now, on page two of this statement which we discussed—the last paragraph. I wish to read to you:

"An examination of the budget detail submitted to the Legislature shows the situation in which the commission now finds itself. The total estimated income for the 1947-48 Fiscal Year is $69,767,000. After various allocations, for Administration, Maintenance, Highway Planning, Maintenance and Operation of the San Francisco-Oakland Bay Bridge, and other continuing items, there is available to the commission for construction projects approximately $27,000,000 and $6,000,000 for the purchase of right of way. Deducting a repair item of about $4,000,000, there is left to the commission for actual construction projects in the coming year's budget approximately $23,000,000.

"That sum will not go far when divided between primary and secondary highways and among the 58 counties of California. The commission cannot begin to finance the deficiencies with only $23,000,000 a year available for new construction."

Now, I get the distinct inference here, and correct me if I am wrong, that this plan as it is placed in your mind—we are trying to get down to basic figures—that we have said, according to this year's budget, there will be left approximately $23,000,000, and then we say that the commission cannot get along with only $23,000,000 a year. Is that what is in the budget, or is it the contemplated revenue that is going to come in every other year that will show just $23,000,000 total—how did you plan, and don't you think that needs a little clarification?

MR. BAKER: I think it is explained, Mr. Geddes, on the next page. That $23,000,000, of course, is based on our revenue for the past year—Fiscal Year. Now, we project into the future and estimate an increase in revenues, and we contemplate, as indicated on page four of this report, that it will average over the 10-year period, $28,000,000, taking into consideration an estimated growth and increase in the receipts from the present base taxation. It does contemplate an average increase over last year. We don't mean that—that we are trying to set up a plan, or restrain ourselves to $23,000,000 a year—no, our estimate there is an average starting with 28, but the average starting with 23, and averaging out $28,000,000 over the 10-year period.

ASSEMBLYMAN GEDDES: I see.

CHAIRMAN HOLLIBAUGH: I thank you, Mr. Baker, for coming back up here. Now, let's get down to Mr. Kaiser. He has a message you are all going to appreciate. Mr. Kaiser, will you come forward please? Mr. Kaiser represents the Associated Farmers of California. I have asked them if they would like to present anything. May I present Mr. Kaiser, representing his views on the highway program now before the committee—also of the California Taxpayers' Association, and the San Francisco Chamber of Commerce, and prominent in state financing having set up the revenue bond offering of the San Francisco Bay Bridge. Mr. Kaiser, you may proceed.

MR. LELAND M. KAISER: Thank you, Mr. Chairman, and Committee Members. I want to make my position clear, before I talk on the subject which I have been invited here to discuss with you. My firm, Kaiser & Co., are investment bankers. We have offices in San Francisco, Sacramento, and also in New York, and we have specialized more in state and municipal financing. In addition, we are members of the New York Stock Brokerage and Exchange, and other exchanges throughout the country, and we have had experience with some irrigation district financing and refinancing, and have handled some of the warrants upward of $70,000,000 in connection with the State when it was running in the "red". I have worked with Mr. Purcell, and the Department of Public Works for many years on various problems over there, and setting up the original public financing of the San Francisco-Oakland Bay Bridge. We worked very closely with them, and I have great respect for Mr. Purcell.

The Associated Farmers engaged us to prepare this booklet which you gentlemen have probably seen, which is an endeavor to place in a very straightforward manner before the gentlemen of the Legislature what is done in other states with respect to financing highways, other than what gasoline taxes or general obligations bonds are used, and we cite instances where this method of financing is used in other states, point out the different manner in which the methods can be employed and I

would like to get in that: If there are any questions however, and I want to thank Assemblyman Geddes for his request that the speaker be allowed to complete his statement, but I think inasmuch as the purpose of this meeting includes questioning to throw light as much as possible on the subject, that it would be well, as far as I am concerned, to ask any questions and take any exceptions to anything I say, because I would like the privilege of discussing it with you gentlemen, so that we can have as clear an understanding as possible of the subject.

CHAIRMAN HOLLIBAUGH: Any member of the committee have an objection to that? (No response.) If not, we will proceed that way.

MR. KAISER: I would like to say this—that most people with whom I have talked agree that we need a highway system that would be adequate for the needs of the State. I would like also to say that—and I neglected to say it in making my position clear, that I am Vice President of the California Taxpayers Association, and I am not appearing here in their behalf now, and I am appearing here solely as consultant—financial consultant of the Associated Farmers.

I would like to make a comment that when you speak about taxes, that it used to be thought a million dollars was a lot of money. Now people toss around a billion the way they used to toss around millions, and it is becoming very serious.

I would like to call your attention to the fact that when Governor Warren came into office, the biennial budget that was handed to him really was about $641,000,000. The last biennium figure—the figure in 1945 was $583,000,000, and the budget submitted by Governor Warren for this annual period is $641,000,000, plus. That means that in one year—this coming year, our expenditures for state purposes, regardless of where the money has to come from, or where it is going, is almost as much more as we spent in the two years of Governor Warren's administration, but these things have been allowed by our Constitution, and lots of expenditures are mandatory but that is a condition which we are facing now.

At the time Governor Warren came into office, the population on January 1, 1943, was 7,795,000, and January 1st of this year, 9,421,000, so there has been an increase of 21 percent in the population in the State of California, and the budget has increased over 200 percent—10 for one alongside our population. I tell you, gentlemen, I know, because I saw this State in the position where its warrants couldn't be sold in this State. We had to go outside of the State of California and before the executives and bankers and insurance companies in the East, to plead with them to buy those warrants so that the State could remain on a solvent basis, and if we should have a recession in this State of 10 or 15 or 20 percent in activity, we would be right back in the red again, so there are a lot of people who are thinking about that, and about this tax, and trying to figure out how a highway program that contemplates spending as much as $3,000,000,000 over a 14-year period now, is going to fit in.

Now to call your attention to how large a sum $3,000,000,000 is, and I can't grasp that except relatively, or relating it to other things, the San Francisco-Oakland Bay Bridge, which now is serving the people, cost around $77,000,000, and you are now asking for ways and means of raising the money to finance a program that will be about $3,000,000,000 in amount. You are talking about a deficiency of maybe $1,000,000,000 that has to be raised, but $3,000,000,000 is the equivalent of building 40

San Francisco-Oakland Bay Bridges. That is not to be taken very lightly in my opinion of it.

I think that when the State officially undertakes things as important as this—when the Legislature undertakes it, that the people are entitled to information and to facts, and Governor Warren is a friend of mine, and I feel that some of the statements he made are absolutely accurate, and I would like very much to give you my views on that today in conjunction with the toll revenue financing, because until the people do have an understanding and a correct understanding of the financial condition of some of our toll roads throughout the United States on an accurate basis, it will prejudice any consideration of this subject.

In this booklet which has been prepared, we tried to point out that other states in their search for funds to construct these high cost expressways and freeways—other states have compared into methods that are not conventional here in California, and have used those methods. Other states have investigated them and found that they don't suit their purposes, and have abandoned the possibility of using them, and so I think to give you gentlemen an idea of a road—the outstanding toll road in the United States, and how it operates, it would be well to discuss the Pennsylvania Turnpike.

Now, the Pennsylvania Turnpike is a high-speed road that runs a distance of 161 miles from just out of Pittsburg, Pennsylvania, to just outside of Harrisburg, Pennsylvania, and you have a map of that road there, and the map indicates several alternative routes that can be taken. The person that doesn't want to use the turnpike, who feels that the saving in labor, in time, operation, and assurance is not sufficient to justify paying the toll, those people actually pay more time, more labor, which amounts to more than the toll itself in choosing to go by alternative route, than if they had used the turnpike.

There was a statement that came out, to the effect that the turnpike was losing a thousand dollars a day Now there is no basis that I can discern for that figure, and I have the figures to establish that.

The Pennsylvania Turnpike was opened in 1940, and was financed with 3¾ percent revenue bonds, and a government grant. To be fair in considering this method of financing, I want to emphasize that the Federal Government—there was a grant of around 40 percent of the cost, around seventy million, or about the same as the cost of the San Francisco-Oakland Bay Bridge.

Now, that road has been operated so successfully—when gas rationing was in effect, when passenger traffic declined to the vanishing point, although truck traffic did increase and is continuing to increase, is the only exception—the results have been so satisfactory, that last December the Pennsylvania Turnpike Commission, an agency of the State of Pennsylvania, called in the 3¾ percent bonds and replaced them with 2½ percent bonds. Now, I call your attention, gentlemen, to the fact that these revenue bonds are not the obligation of the Commonwealth of Pennsylvania, nor are they obligated by any mortgage—they are not secured by any mortgage, the only recourse that a holder of those bonds has with respect to getting the interest on his investment is from the toll revenues that are levied, so that the very fact that the road is doing so well that it can refund its bonds from 3¾ percent to 2½ percent show to any man

that has any experience with financing, that the road is not losing money —or any thousand dollars a day.

The State of Maine has a problem of jammed up traffic on a highway along the coast—number one in the State of Maine. That runs from the southern border of Maine up to the northerly most part of Maine, and recently the State of Maine created what is called a Turnpike Commission, which is similar to your Toll Bridge Authority here, and they are empowered to issue revenue bonds on the building of the road which will parallel the free roads, and we have in our booklet a picture of this proposed route that is now under construction, and the first bonds were sold to finance it last summer. That dark line represents the toll road, and that represents the free road. (Exhibits map and indicates.)

Before they can undertake such financing or such a program, they must have recognized traffic engineers who make original traffic surveys and who also estimate the cost and toll which should be charged, and before anyone who thinks of buying those bonds, which are entirely based on the revenues of the roads, those reports have to be made.

Now, the Associated Farmers, in asking me to appear here, and asking my friend who prepared this booklet, we don't want to advocate toll roads, nor do I come here advocating toll roads. Our position is this: If you are going to embark on a vast, expensive and costly highway program, think that you should have a report before you gentlemen on the feasibility of adopting, for certain sections of this freeway and expressway program, revenue bonds to build these sections, that you do not have now.

Now, I have talked with some of the staff of the Collier committee and I asked them for transcripts of any hearings in which this matter was discussed. They told me they didn't have it, but they did consider the matter, and had abandoned any idea of using it in the State of California. I have talked to the State Chamber of Commerce, and they do not have any. Mr. Purcell hasn't produced any reports either, so here you are, upon the verge, as some people think, of embarking on a $3,000,000,000 program, and you have not, in my opinion, and in the opinion of the Associated Farmers, any report which you could base an opinion as to whether or not you have proved one as against the other, if it could work.

Now, I have only mentioned Maine and Pennsylvania—but I can mention others For instance, New York has a very successful series of toll roads and parkways. Connecticut likewise. We included in this booklet the facts simply of a bill that is now in the Ohio Legislature, which expects to do the same thing that Maine has done, and if I may have permission to read this—it is only two paragraphs. "A bill to facilitate vehicular traffic in the State of Ohio by providing for the construction, maintenance, repair and operation of turnpike projects; creating the Ohio Turnpike Commission and defining its powers and duties; providing for financing the construction of such projects by the issuance of turnpike revenue bonds of the state, payable solely from tolls and other revenues; and providing for the collection of tolls and other revenues to pay the cost of maintenance, repair and operation of such projects and to pay such bonds and the interest thereon."

Now, I don't like tolls, and I don't like toll roads. If we could have free roads, so much the better. There are 30 or 40 pages devoted to toll

roads in this book, but by and large we would prefer the free roads. Well, from my experience, the people prefer anything that is free, and I also would like to see free roads, but we do point out in this book that the only free roads that you have in the State of California are the Collier proposed roads. They are free to you provided you have paid gasoline taxes, and registration fees, and license plate fees, and ton-mile taxes, and diesel fuel taxes, and weight fees, and drivers license fee—there is no free road, and we should all understand that before we start considering whether we want a free or a toll road.

I would like to, if I may do so, to give you an idea of how those roads operate, because they are not very much different in design from what is contemplated under this report—the Kennedy Report to the Collier committee.

When you enter the Pennsylvania Turnpike, you don't pay any toll, but you pick up a ticket. There are in the 161 miles of the turnpike 11 points of egress and ingress, and when you leave the road you pay a toll based on the miles you have traveled. The cost to travel the full length is $1.50—that is for 161 miles, less than a cent a mile, and for the round trip considerably less than one cent a mile. There are no cross-overs, or no intersections in the whole 161 miles. People who have used it feel that it is the most convenient road they have ever driven over. I have talked with lots of people. I have handled a lot of bonds, and refinancing old bonds, and in my opinion it is a classic example. Traffic over on Merritt Parkway and some of their other parkways are similar situations. It is the most effortless travel that you could imagine—not having intersections at any point is a tremendous safety factor, and one of the things we are concerned about here is safety, and I might say here that some of the states are trifling with human life if they delay acting on a program.

If you embark on a 14-year program which would be financed with these highway user revenues, as proposed—gasoline taxes, and ton-mile tax, it will take you 14 years or more to build these highways that we are talking about, but if a study is made, and the study develops the conclusion that certain of these roads are adaptable to toll road financing, then there is no limit to the speed by which those roads can be constructed, other than the limit of the contractor's ability to do the work and the engineers to get the planning done—if I had to make a study of the financing suggested by the Associated Farmers, I would probably take 120 days—you would save at least five years on your program, and probably 10.

I can't give the engineering figures, because I don't have it, but you can see, that if you are talking about saving lives, because of the time factor involved in the matter and the manner that has been proposed under the Collier bill, it is not hard to see which plan is best.

We try to point out here that it might be feasible to use the toll revenue method of financing on some of our highways and we have figures showing the number of vehicle miles traveled on the State Highway System last year, and then make certain which of them need it worst by traffic counts, we feel that there would be enough revenue produced by the people who would use this expensive turnpike to finance the entire expressway system proposed.

Now, if you could do that, going from San Francisco to Los Angeles, and Los Angeles to San Diego, from Los Angeles to the state border,

from San Francisco north, and San Francisco over to Sacramento, if you could do all of that—that is what you are talking about costing you around $1,000,000,000, and that would relieve the Legislature of the necessity for increasing any taxes whatsoever. I don't say that can be done, but I say that the United States Government in 1939 which President Roosevelt submitted to the Congress. It was in response—this report was made and given to President Roosevelt in response to the President's request for information as to the feasibility of construction three highways, which would run east and west in the United States, and three which would run north and south, traversing the continent to be financed by toll revenues. Now, it was shown that you couldn't do that, because you have to have heavy traffic before you can finance it, because you might have heavy traffic in the East, but when you crossed to the great prairie states and other states where there is very small traffic, and it would make financing these roads impossible.

But there is an interesting fact developed in that book, which is called "Toll Roads and Free Roads," was that in the State of California we have among the most desolate stretches of highways, and the most densely traveled highways in the United States and it seems logical that there are some roads and many roads in this State which could be financed on that basis.

I cannot tell you where they are and there is not anybody in this room or in the State of California who is competent to say which roads, and how many miles on which routes, can be financed by this method of financing. There are people who have done the traffic survey work for the State of California—on the San Francisco Bay Bridge, for instance, before that was built, there were people—many people who did the work on the State of New York's parkways, and the City of New York in Westchester County, and the State of Maine, and those people are specialists, and when you set them to the task, they will tell you how much can be done in this State, and when they come in with a report, or say how many miles these are, the routes they are, and how much the toll should be to pay for the construction.

Then you have something before you from which you can form an opinion.

Now, there are lots of people who feel that it isn't fair for them to be taxed with these highway users taxes, because they will not live to use most of these new highways.

If you gentlemen will remember back in 1911, we were faced with a problem in this State of constructing highways, so we put out general obligation bonds under full faith and resources of the State of California, and paid interest on those bonds. Another issue was put out in 1915, then people came to figure that there was possibly a more equitable way of financing these road requirements, and that was to allocate the benefit, try to see who would derive what benefit, and in what amounts, and then saddle them with the cost of the facilities that would be built so that gasoline taxes and these other highway users taxes came into being here in the State around 1923. Now, the next development after that, we tried to allocate the costs to go to a system where nobody pays anything for the use of it, and if I might state, there has never been devised any place in this country, or any other country, so far as I know, a system which is more fair and more equitable than the toll

revenue method of financing, because nobody pays for anything he doesn't use, and those who do use the facility, pay in accordance with the benefits they receive.

As you gentlemen know, the San Francisco-Oakland Bay Bridge has a schedule of toll fees whereby a truck pays more than the stall customer who rides on the basis of a commuter, and it is very successful. My firm handled it for the State of California when they took over the Carquinez and Antioch bridges, and placed 14-year bonds on both, then they were being paid off at such a rate, and the volume of traffic was so great that I was asked by some of the larger bondholders to appear before the Toll Bridge Authority to discuss rates and to ask them if they would reduce rates, and at that time they hardly thought it was possible in such a short time to reduce rates, but the fact was that the people were losing their bonds—the paid premiums, and were getting a negative return on their money, and instead of a reduction in rates, the bridge was paid off in less than five years, as against the original estimate of the Department of Public Works of 14 years, so those bridges are both free.

Now, we can talk about going back to the "dark ages," as the Governor said at the time these toll bridges were suggested, and I don't know what he meant by that statement, but it seems to me that the toll idea, while not new, has certainly withstood all the ravages of time, and has shown itself to be the best method. Pennsylvania is a pretty good state, so is Connecticut, and Maine, and New Hampshire, and they use this method, so there is no reason why the State of California can't at least investigate the possibility, and then have the legislators make up their minds whether they want it or not.

I could talk for a long time, and I know you gentlemen want to leave here before too much longer time has passed. If there are any questions, I would be pleased to answer them. I would like to have you read this book because we have documented with comments of the heads of highway districts in the State of Connecticut, and from the people who have made traffic surveys on the New York system. I think that if you read it you will realize there is considerable merit as to this method.

I would like to point out to you that on page 29, we addressed ourselves to the problem of how much has to come out of the pockets of the people of the State of California, bearing in mind that we are bearing a very considerable burden at this time, you gentlemen might or not realize, with the budget of the Federal Government somewhere around $43,000,000,000, plus the taxes of the state and local governments, we will be paying this year somewhat less than $50,000,000,000, and the national income will be somewhere between $150,000,000,000 and $200,000,000,000, so we are working and putting out about one dollar out of every three or four for the government, and a lot of people are getting good and tired, and I for one, feel that if we can develop these roads in this State and let the users pay for it, it is certainly the fairest way to do it.

Here is another point too, this one from the Handbook of Public Revenue Bonds, put out by Tripp and Company in New York:

"The use of bonds payable solely from specified revenues to finance public projects capable of being self-supporting has become well established and seems certain to be of increasing importance in the future.

"The toll bridge and highway projects described herein have outstanding bonds aggregating in excess of $490,000,000, or nearly one-half the estimated $1,000,000,000 of revenue bonds outstanding. While gasoline and tire rationing, virtually discontinuing of new passenger car production during the war, resulted in a sharp decline in the revenues of most of the toll facilities, that failure to meet charges when due affected less than 1 percent of the bonds.

"Through the medium of revenue bonds, there is made available to the public a service paid for solely by those who use it, rather than by the general taxpayer. Ordinarily such services are of a noncompetitive character, and charges can be fixed at levels adequate to meet all obligations."

I would like to read this to you: "To show how much less the annual burden is on the basis of 30-year, 3 percent turnpike bonds in comparison with a 'tax-before-you-ride' system," which is really what you are doing on this Collier proposal, "the following tabulation was made, assuming the $2,000,000,000 for construction is expended at the rate of $143,000,000 annually in each case," and you will find that in each year—one to 14, you will have to pay an expanded total in the Collier $143,000,000 program for each year. That totals a little over $2,000,000,000 that you will have to spend that will come out of the pockets of the people of the State who are paying high income taxes, sales taxes, and many other kinds, whereas, with the turnpike bonds, you start in the first year with $7,300,000 as against $143,000,000 In the next year, that goes up to $14,600,000 as against $143,000,000, and then it goes up to $29,000,000, getting up to a peak in the 14 years of $102,200,000, while in the 14-year period you would have taken out of the pockets of the people $766,500,000, as against $2,002,000,000.

Now, it is true that after the 14-year period under the one method you will have paid for your roads, and payments on the turnpike bonds will continue after the 14-year period amounting to $102,200,000 annually for the following 16 years, then dropping off by the same amounts that they rose. Actually, under the turnpike method of financing all of the improvements could be accomplished sooner, subject only to preparation of plans and ability of contractors to do the work of construction.

The point is that these roads, according to the government estimate, have an average life of 65½ years, and under the Collier proposals, you and I and people who use the roads are asked to pay for them in 14 years, when they have an estimated life of 65½ years, so that 30 years seems to be a reasonable period, and that length of time has been adopted in other states for toll revenue financing in which to pay for those facilities. Also, no reason that I have ever been able to determine why people today and in the next 14 years that they would agree to give a free ride to people who will use these facilities after they have paid for them.

Now, on the San Francisco-Oakland Bay Bridge which is set up on a very sound basis, financially, people are going to pay for that over a period of years and it seems that with expensive highway and freeway systems we should let the people who use them pay for them on a long term basis. Now, Modoc County may have people who travel not at all over these systems, and now whether he travels over a freeway or on a county road, he would pay on a ton-mile basis, but under the toll system, if he

didn't travel on the toll roads, he would naturally not be paying high taxes for the upkeep and construction of these roads.

We say that we are willing to pay our fair share of the costs, and the oil companies agreed they were willing to pay their fair share, but when you try to pin them down, they don't agree, but if you say to these people that you are going to pay if you want to use these facilities, and you are going to pay in accordance with the benefit you receive, then there can be no argument. We point out in this book that such a system as is proposed here is fair to the property owner as it is fair to the farmer, and fair to the truck owner, and fair to industry, and fair to the taxpayers. If anyone would like to ask questions, I would like very much to answer them, and I appreciate very much the opportunity to come here. I hope you will read the book, and you can see yourself, reports of this kind can be made and returned within a 120-day period to the Legislature. I think it will be a very constructive move.

CHAIRMAN HOLLIBAUGH: Mr. Kaiser, thank you very much. Mr. Geddes would like to ask some questions.

ASSEMBLYMAN GEDDES: Mr. Kaiser, I understood you to say that before these toll roads in other states were built, that complete surveys were made in anticipation to derive actually the cost that would accrue as well as when some of the stages were let, what revenues might obtain? Are there competent firms of engineers that could undertake that work?

MR. KAISER: Well, Mr. Geddes, these reports are destination, origin and destination surveys, traffic and revenue surveys, and there are three or four leading firms in the United States who can make a report of that kind for you gentlemen, and I have never known them to be too busy to undertake a good scope.

ASSEMBLYMAN GEDDES: In other words, we will say that the Kennedy Report and other certain attempts that have been made—I believe probably the traffic flow and those reports, and the estimated vehicle traffic north and south and different places; all that is quite authentic and probably might be used as a basis for consideration here?

MR. KAISER: Well, I would like to remark on that. This company that is covering the Maine Turnpike, they commented on this fact, Mr. Geddes, that under the direction of the Authority, Messrs. *Coverdale & Colpitts* of New York, these are the engineers who made a survey here on the San Francisco-Oakland Bay Bridge, their report was based chiefly on traffic data previously collected and given to them by the State Highway Division of Maine. No independent traffic count was made by them, and the study represents a conservative estimate, but they will show many things with respect to traffic, such as how much of it is from out of state cars, how many state cars, the number of vehicles per hour, that would use the freeways, how many will use the toll roads, what the fee will have to be, what the operating cost will be. I might say that the road has to support itself. The State doesn't give them any money. It has to come out of revenue.

ASSEMBLYMAN GEDDES: Then, would you know, off-hand, a figure to show how much such a survey, at least on initial projects, taking care of north and south traffic, made in 120 days would cost?

MR. KAISER: I know that when Mr. *Gibbs* of the Associated Farmers was in my office, he mentioned this firm, Madigan-Hyland, who did the work on the New York Parkways, and Triborough Bridge and Tunnel

Authority, and I told him what we are considering out here and asked him what the cost might be of making a survey, I say I am not committing myself, because I am going to be asked the question, and I am sure it would be in the neighborhood of $100,000.

ASSEMBLYMAN GEDDES: That is a pretty small sum along side of $3,000,000,000, isn't it?

MR. KAISER: Well, in other words—

ASSEMBLYMAN GEDDES: Then this proposal would—that is, the engineering report would say the turnpike on our highways will be from such and such a place and that second road would cost so much money?

MR. KAISER: That is correct.

ASSEMBLYMAN GEDDES: All right, then, coming back to the other point that you made: Suppose that we did that—just supposing—in California, and didn't reduce the present rate of gasoline taxes, the people who are using the ordinary highways, those not included in a toll road system, would be paying, as they are now paying, for the section of roads not under the toll road system, but, unless they traveled on the toll roads, they would bear no burden of the cost of the toll roads?

MR. KAISER: That is right, and there would be an inducement to travel these good roads, there is no question about that. People like the Maine Turnpike Authority make the statement that there is a wealth of experience in that people like these good roads, and will travel these more comfortable routes, and that is borne out by the experience of countless toll projects. Now, your question I would like to answer this way, Mr. Geddes. The engineer might come in with a report saying that based on probable use of the road, say from here to Los Angeles, you could finance with toll revenue bonds, but if you wanted to tie in some formula, the gasoline tax that results from the use of that road to help keep up that particular operation, that might be a way to do it. There are all types of combinations. Yes, the people pay gasoline taxes in greater amounts than they would without these roads, and some of that will go to build the roads in the counties and city subdivisions.

ASSEMBLYMAN GEDDES: In other words, we will say, just for an estimate, that the 400 miles stretch from Los Angeles to Sacramento would cost a total of $20,000,000. Tolls would pay for the cost of building these roads, then the gasoline tax collected for the use of that toll road would go to other highways, or some other projects, but the tolls would go to the particular requirements of that toll road?

MR. KAISER: That is right.

ASSEMBLYMAN GEDDES: Thank you very much.

CHAIRMAN HOLLIBAUGH: Any further questions? Mr. Cramer.

ASSEMBLYMAN CRAMER: Mr. Kaiser, I take it from your statements, that you are clearly familiar with the Pennsylvania Turnpike, is that right?

MR. KAISER: Well, I don't say that I am clearly familiar with it. I have been over it all and I have studied it.

ASSEMBLYMAN CRAMER: Well, you are thoroughly familiar with the state and its many ills. Isn't it true, Mr. Kaiser, that the Pennsylvania Turnpike follows the old railroad, that they built it right on the old right of way?

MR. KAISER: That is right, they are using part of it.

ASSEMBLYMAN CRAMER: That is, there are eight tunnels, eight tunnels were already there, and they used these in 1940 and it cost the state $70,000,000 to build that highway, notwithstanding the fact that they had the tunnels already there. What do you think it would cost to build a similar road, say from Los Angeles to Bakersfield?

MR. KAISER: Well, I couldn't tell you the cost, but one of the features of that country, as you know, the Allegheny Mountains run through the state, and the old roads—

(Interruption)

I was going to say that you are familiar with the terrain traversed by the Pennsylvania Turnpike. The old route went up, down, and around the mountains, and in winter it was sometimes impassable, and by going through these tunnels, you are reducing your elevation, and it makes it a lot easier to get over; and another fact in getting over the Allegheny Mountains from Pittsburgh to Harrisburg: You would travel behind a truck on the old road, sometimes you would stay there for two hours and not get around, and then sometimes these automobiles get in a hurry, and try to make up time.

The cost of the turnpike was $400,000 a mile. That was a lot of money, $400,000 a mile. Now you are talking about $100,000,000 a mile, and when you ask me about the cost of a road from Los Angeles to Bakersfield, I cannot tell you and that is the point of this whole discussion. Now, nobody knows whether it will be possible to finance a road of this kind from here to Los Angeles, and Los Angeles to San Diego, or any place, but it is proved that you can have these beautiful highways under the toll road system, but I can't prove it to you, and nobody will until you see figures. Can I say this sir, that in our business if we were to make a commitment of any kind, for half a million, or a hundred thousand, or a million, or anything else, with as meager information as you gentlemen have before you, or that I have seen any place around here, we would be subject to condemnation and wouldn't be in business.

ASSEMBLYMAN CRAMER: What I am trying to point out in this case, in the case of this Pennsylvania Turnpike, which this booklet trys to set out as an example, that they practically had all the necessary work done in the old railroad, that was built around 1905, and the roadbed was there, and it was only a matter of building up the old right of way, where if we try to build the same road here in California, with real estate up as high as it is, when you go into comparison of a road that cost $70,000,000 with the tunnels already built and the road bed laid out, you really can't compare building a road here with building the Pennsylvania Turnpike.

MR. KAISER: Have you ever been in the State of Maine?

ASSEMBLYMAN CRAMER: Yes sir.

MR. KAISER: If you have been across the state on their roads, you know they certainly haven't any tunnels or rights of way or anything like that there That is certainly some comparison to our California problems, and I don't know whether it can be done, and I don't think you do either.

ASSEMBLYMAN CRAMER: I am just pointing out that the Pennsylvania Turnpike is a poor comparison to our problem, as to what the cost is going to be.

MR. KAISER: I will not say that it is a good analogy, and I pointed out that there was a government grant here too, but I am pointing out that there is correct analogy, it is an example of what can be done.

CHAIRMAN HOLLIBAUGH: Now—

ASSEMBLYMAN CRAMER: Thank you.

CHAIRMAN HOLLIBAUGH: Mr. Geddes.

ASSEMBLYMAN GEDDES: Mr. Kaiser, just to pursue the same subject, and perhaps draw the analogy, something that we can understand as long as we are talking about something that is still on the drafting board, there is no reason to feel, at least for the sake of argument, that the toll roads and toll highways are the same as the projected dream super-highways that are contemplated under the 10-year plan, and—

MR. KAISER: Yes—

ASSEMBLYMAN GEDDES: Now, shall these roads be paid for by toll—passing over part of them be paid by the users revenue as provided for in the Collier bill, or perhaps even by a bond revenue, go ahead and get the money and build it, it would be built and paid for. Now, as proposed under the Collier bill, the users would pay part of it, and the nonusers would pay a great portion of it, and I believe that is a point of your argument.

MR. KAISER: That is right.

CHAIRMAN HOLLIBAUGH: Mr. Heisinger.

ASSEMBLYMAN HEISINGER: To implement the program, probably the first thing would be to have the Legislature authorize some kind of a toll authority. Would that be the plan?

MR. KAISER: Well, Mr. Heisinger, I think I am one of those who don't like to see the creation of a lot of bureaus unless they are absolutely necessary, and we have in California now the Toll Bridge Authority, and with some law or amendment to that act, you would have the Toll Bridge Authority handle it. If you want a Turnpike Commission to handle these roads, that would be up to you legislators to handle.

ASSEMBLYMAN HEISINGER: That would be a matter of law and not a constitutional amendment? It would be a matter of legislative act?

MR. KAISER: That is right. I might say, Mr. Heisinger, in preparing this booklet, we enlisted the aid of an attorney also to see that these matters could be done, and it is their opinion that an amendment of your present Toll Bridge Authority would cover the matter.

ASSEMBLYMAN HEISINGER: The people would have nothing to say about these issues—it should be legislative action?

MR. KAISER: I don't think it would be necessary here—do you want these roads, do you want to pay for them on this basis—I see no harm in that.

ASSEMBLYMAN HEISINGER: The reason I asked the question, it seemed to me time is a very serious element in this whole program, and speed should be taken on our highway program. The matter of bonds would then be determined by the commission that was handling it, and also that would require no election of any kind?

MR. KAISER: That is a very good question, as you know, in our State Constitution, before the State can go in debt, it requires a vote of the people, but in this case, the State is not pledged to back these bonds, they are paid for only from toll revenues, and it should not be necessary to have the people vote on it, you are not pledging the credit of the

State of California. It can be done by the Toll Bridge Authority Act, which the Legislature can amend, and is empowered to do.

ASSEMBLYMAN HEISINGER: Thank you

CHAIRMAN HOLLIBAUGH: Thank you so much for coming here, Mr. Kaiser. We appreciate it. Before we ask for motion to recess, is Mr. *Warnell* or Mr. Owens here? (No response) Then the chair will entertain a motion to recess.

ASSEMBLYMAN KIRKWOOD: I move we adjourn.

ASSEMBLYMAN GEDDES: Seconded.

CHAIRMAN HOLLIBAUGH: All in favor?

MEMBERS OF THE COMMITTEE: Aye.

CHAIRMAN HOLLIBAUGH: Those opposed?

(No response).

(Thereupon the committee hearing recessed at 6 p.m.)

REPORTER'S CERTIFICATE

This is to certify that I, Harold Krabbenhoff, a stenograph reporter, was present at the time and place the foregoing proceedings were had and taken before Assemblyman Hollibaugh, Chairman of the Assembly Committee on Revenue and Taxation, in the Assembly Chamber of the State Capitol at Sacramento, California, on Thursday, March 6, 1947, and that as such stenograph reporter, did report the aforesaid proceedings on the stenograph machine, and afterwards caused the said stenograph notes to be reduced to longhand typewriting, and the foregoing proceedings beginning at the top of page 1, to and including line 8, of page 94 hereof constitutes a full, true, complete, and accurate transcription of the aforesaid proceedings.

Dated this sixteenth day of March, 1947.

GRAESER REPORTERS
By Harold Krabbenhoff, Reporter

HEARING BEFORE THE COMMITTEE ON REVENUE AND TAXATION ON THE CALIFORNIA STATE HIGHWAY SYSTEM

Friday, March 14, 1947, 2 p.m.

CHAIRMAN HOLLIBAUGH: The meeting will now come to order and I'll call the roll.

(Thereupon the roll call was taken, showing the following members present:)

GLENN ANDERSON
CHARLES CONRAD
JOHN EVANS
ERNEST GEDDES
AUGUSTUS HAWKINS
ROBERT KIRKWOOD
T. FENTON KNIGHT
ALFRED ROBERTSON
A. I STEWART
LAUGHLIN WATERS
JONATHAN HOLLIBAUGH, Chairman

Members Absent:

RALPH BROWN
W. E. JAMES
MARVIN SHERWIN
VINCENT THOMAS
ALBERT WOLLENBERG
CLAYTON DILLS

There is a quorum present. For those who have not been here previously I wish to announce this is a meeting of the Revenue and Taxation committee considering the Special Session Highway Bills, Assembly Bill No. 1, creating a highway users fund; Assembly Bill No. 2, administration of the highway system; Assembly Bill No. 6, the gas tax bill; Assembly Bill No. 7, fuel tax bill; Assembly Bill No. 8, transportation and weight tax; Assembly Bill No. 12, which is an exemption from the fuel tax; and Senate Bill No. 5.

The first witness today will be Mr. Roy Thompson who represents the Truck Owners Association, and Mr. Thompson we are very glad to receive your views and recommendations on this subject.

MR. THOMPSON: Mr. Chairman and members of the committee, I'm very glad to appear before this committee and present the point of view of the for-hire truck operators, and supplementing the statements of Mr. Sherer, who likewise represents the same group.

For your information we have a joint group that meets and determines our over-all policy. Therefore, what he says represents whatever I may represent.

The following is presented on behalf of the for-hire truck operators. We will not discuss in detail each bill now before the committee but rather will deal with the general subject as recommended by the Joint Fact-Finding Committee on Highways, Streets and Bridges. When each bill or a combination of bills are considered in detail by the committee we shall appreciate the opportunity of again appearing before you and submitting our recommendations.

In connection with that phase of the subject, there are a number of amendments that are desired by our industry in connection with any

and all of the bills that are now introduced. However, it is my understanding that we are not to discuss those matters at the present moment.

With the expenditure of $120,000 of taxpayers' money it was expected that a complete highway program covering the needs of the State, county, and city highway systems would be presented to the Legislature and to those who provide the money for construction and maintenance of such highways. What has been presented can probably be summarized from Senate Bill No. 5. In our opinion this proposed legislation in general does only the following:

1. It reclassifies state highways, county highways, and city streets and establishes a basis of administration of funds for the purchase of rights of way, construction and maintenance. Under this reclassification there is established an expressway system of highways.

2. Establishes an increase in highway users' taxes and establishes new taxes, but it does not require other beneficiaries to provide any new revenue or even require the maintenance of present funds for highway purposes.

3. Establishes a basis for the distribution of revenue derived from the present tax laws and proposed new taxes.

4. Requires certain users to pay increased taxes out of proportion to use and then gives the commission and local county and city authorities the unlimited right to restrict the use of such highways under their jurisdiction. These users are not even given the right of court review of the findings of such authorities.

In effect Senate Bill No. 5 in our opinion is a tax bill and not a highway program.

In connection with that phase of the matter it is to be noted that the gas tax proposals in Senate Bill No. 5 become effective July 1, 1947, and the truck tax registration fees increases will become effective January 1, 1948.

It is fully recognized that during the war, material and manpower was used in the war effort and that construction and reconstruction of highways was held up. However, an average of $14,676,000 was spent on construction, reconstruction, improvements, including rights of way and engineering of rural state highways between July 1, 1941, and June 30, 1946, as compared to $7,029,000 for the previous five years. Had the State Highway Division carried on the same program during the war as they did during the previous five years they would have spent an additional $27,321,000 during the five-year war period, or an average of $5,464,200 per year.

Maintenance costs on the same highway system averaged $300,000 per year more during the five year war period as compared to the previous five years.

With all the reports and figures submitted by state employees there has been created considerable confusion, and it is very difficult to analyze all the figures that have been submitted. The Collier committee presented its staff's report covering an over-all state-wide, county and city program. The figures on pages 10 and 11 of the Lindman Report cover a 14-year program with a total recommended expenditure of $2,819,853,000. On page 47 of the same report the program is on an 11½-year basis. These figures are on a calendar year basis but now they submit to the Legislature an analysis of Senate Bill No. 5 with their figures on a fiscal year

basis from July 1, 1947, to June 30, 1957. Their estimate for this 10-year period indicates a requirement of $2,100,000,000 for State, counties, and cities. This latter amount is the equivalent of 10 years as compared to their original 14-year estimates.

We have checked the estimate submitted in connection with the analysis of Senate Bill No. 5 as amended on February 5, 1947. We cannot understand why no consideration was given to other items of revenue. In the Governor's Budget submitted to the Legislature in January the estimate of receipts from gasoline is $76,000,000; diesel tax, $2,500,000. Mr. Zettel used $74,400,000 and $2,474,000, respectively.

This tax bill is for the State, counties and cities. However, he makes no reference to revenue from interest on investments of the Highway Department of $573,500, revenue of $42,000 from outdoor advertising, $23,000,000 federal aid for state highways and $6,500,000 for county highways. These items are shown in the 1947-48 Budget.

The counties and cities income from local taxes as shown in the Lindman Report would indicate that they will have $14,391,000 for 1947-48 to use on their highways. No mention of this item is shown in Table I of this analysis.

The budget shows an estimated income from the in-lieu-tax, 1¾ percent tax, of $26,100,000 for 1947-48 Fiscal Year. Twenty percent of this tax goes into state funds and the balance is split 50-50 between counties and cities. This is a license fee "for the privilege of operating upon the public highways in this State." There are bills in both houses to transfer the entire amount to the cities and counties. This tax being a use of the highway license fee, there is no reason if the counties and cities need more funds, could not use these funds for highway purposes. No mention of revenue from this source was shown in such analysis.

It is to be noted that in Table 1, page 12, the expenses on an expanded basis for the Motor Vehicle Department including the Highway Patrol is shown under distribution. Therefore, it is not necessary to consider the cost of collection of fees collected by that department.

After giving full consideration to the above revenue items there should be approximately $173,500,000 for 1947-48 instead of $97,634,000 as shown in Table 1, page 12, of the Analysis of Senate Bill No. 5. That is a difference of $75,866,000.

This expanded for the 10-year period through June 30, 1957, would show an income of $1,758,000,000. And the department committee staff indicated that what was needed was $2,100,000,000.

In arriving at this figure we used the federal aid as shown in the Budget for 1947-48 (that is the figure of $1,758,000,000) and for the following nine years the average for the prewar years. The revenue from local taxes are from the Lindman Report.

From the above it can be seen that there will be an average of $65,300,000 for each year more revenue than has been considered by the Collier committee reports.

There has been considerable comment on federal aid and that it will require an act of Congress to obtain any funds in the future. Congress has not repealed any of these excise taxes, and with all states in need of highway funds, it is reasonable to expect substantial amounts. For the calendar year 1946, highway users paid $806,184,481 to the Federal Government. California has approximately 10 percent of all registered

vehicles and on that basis paid to the Federal Government $80,000,000 during 1946. During 1947 this amount should increase substantially. It is suggested and recommended that this committee inquire of our Congressmen what amount can be expected from the Federal Government in the future.

In the consideration of any users tax this annual $80,000,000 tax paid by California highway users to the Federal Government should be given some consideration.

And, gentlemen, I think it is only appropriate because of the discussion in connection with this federal aid, that this Legislature should ask our Congressmen to advise them what type of a program they expect, because $80,000,000 is not a small amount paid by the users in California

In Table 1 of the Analysis of Senate Bill No. 5 we find that they have given no consideration to the same items of revenue in their estimates under the new tax proposal. On page 47 of the Lindman Report there is shown the amount that cities and counties are expected to assume as their responsibility. I have, therefore, substituted this amount on the 10-year period.

Based on my recollection of what Mr. Graves testified, he said that the cities will take care of their obligation, and in view of the fact that they agreed that the Lindman Report, as the Collier Committee Report, was a good report, we assume they are agreeable to assuming the responsibility that the staff of the Collier committee recommended the cities and counties should assume.

In my opinion, Mr Zettel has underestimated the amount that commercial vehicles will pay under the ton-mile tax. We made a very complete check with hundreds of operators to get a correct basis of conversion to a declared gross weight and find that Collier's reports are over $9,000,000 underestimated for the first year on this one item. Senator Collier has consistently urged that trucks should pay $22,500,000 over and above all other increases such as fuel tax, license fees, and so forth. We estimate that under the proposed legislation the mileage and weight fee will amount to $31,600,000 the first year.

Giving consideration to these items my estimate of revenue for the 10-year period will be $3,215,000,000, whereas the estimate in the Analysis of Senate Bill No. 5 shows $2,100,000,000. There is just a slight difference of $1,115,000,000, or on an annual basis, $111,500,000.

My figures are on the basis of gross revenue since that is what the taxpayer will pay; however, if it is necessary to consider the net or the amount after collection costs, we can deduct the $113,638,500 for the Department of Motor Vehicles, $14,865,000 for the State Board of Equalization to collect the mileage tax and $2,605,000 for the collection of the fuel tax or a total of $130,928,500. This will still leave an excess over Mr. Collier and his committee's asking figure of $984,000,000 for the 10-year period, or $98,400,000 each year.

The collection costs are from the Lindman Reports which quotes the State Board of Equalization as to their estimate of cost.

Up to the time of making this report we have understood that the cities and counties will assume their responsibility for new funds as recommended by the Collier Committee's Reports.

We have consistently challenged the estimates of revenue from the various tax proposals as prepared by the Collier committee. We called

this to the Collier committee's attention on December 21, 1946, pointing out that average figures had been used in figuring the gross weight of vehicles. We also pointed out that the estimates of fuel consumption by commercial vehicles was underestimated. We again called these underestimates of revenue to the attention of the Chairman of the Transportation Committee of the Senate. We have not attempted in this report to revise the estimate of fuel consumption for commercial vehicles; however, we are sure from our studies that it is underestimated from between 20 percent to 25 percent An underestimate on fuel tax for commercial vehicles over the 10-year period would increase the potential revenue by $95,000,000. This figure is not included in any of the above estimates.

The only apparent consideration that has been given to the confused sets of figures that have been presented to the Legislature has been the amount of money that is now on hand available for state highway use and the amount that the State Highway Department can expend year by year in the future. We are not entering into that discussion because we believe that the Legislature will attempt to clear up these confused items. As indicated above we called the attention of the Senate committees to the underestimates of revenue.

At this time I would like to recommend, however, that if this committee, or the Assembly, is not satisfied with the figures that have been furnished or will be furnished by the Legislative Auditor, then I think we have spent, after we have spent of taxpayers' money $120,000, we could afford to spend a few more dollars and hire a certified public accounting firm and have them come in here and check these figures; and there are plenty of certified public accountants available, the figures of whom no one would dispute. I think it is very important that we have some figures that at least everybody can agree are right.

According to the 1946 registration of vehicles, automobiles and motorcycles represent 78.5 percent of the total and commercial vehicles, including the small trucks and trailers represent 21.5 percent. Commercial vehicles that pay the weight fee under Section 372 of the Motor Vehicle Code represent less than 10 percent of all registered vehicles. On the basis of present taxes automobiles which represent 78.5 percent of the registration pay 64.8 percent of the users taxes, with commercial vehicles paying 35.2 percent of the tax. Under the new tax program as covered by Senate Bill No 5, automobiles will pay 56.24 percent and commercial vehicles will pay 43.76 percent of the users tax. This change from the present relationship between these classes of vehicles shifts to commercial vehicles $179,967,000 of the proposed users taxes.

I would like to state at this time that the tax at the present time including gasoline, diesel tax, registration fees for commercial vehicles for this next fiscal year will amount to $32,311,000, and the distribution to automobiles and motorcycles will amount to $60,088,000. On a 10-year period the commercial vehicles will amount to $373,426,000, and for automobiles, $687,577,000. Now, that is the breakdown between the two classes of vehicles on gasoline, and they are figures that were furnished by the staff of the Collier committee, and I have no reason to question them in their accuracy Now, on the basis of the new tax program, commercial vehicles for the 10-year period will pay $920,025,500, and automobiles $1,181,414,000. That is the basis of those percentage figures that I just used.

According to the information in the Senate Journal, page 168, State Highway Department's estimates of deficiencies would indicate that 70 percent exist on the so-called expressway system and 30 percent on other highways. Under the proposed Senate bill, commercial vehicles are expected to pay 44 percent of the users tax and yet not be permitted to operate on these expressways or at least only a selected few will be permitted and only then if they can obtain a certificate of public convenience and necessity from the Public Utilities Commission. The proposed Senate bill gives the cities the right to stop commercial vehicles from using such expressways even after the carrier has his certificate from the Public Utilities Commission.

And that is covered under their reference to Section 459 of the Motor Vehicle Code, and furthermore there is another provision in connection with the control of these expressways, the fact that they do not have to make the exits and entrances to the expressways of the same standard as the expressway. Therefore, under the proposed laws, they can restrict commercial vehicles from getting on and off.

In the Lindman Report it is shown that the total amount of money to be paid by the highway users will be distributed 67.4 percent to state highways, 17.2 percent to city streets, and 15.4 percent to county highways. Yet again let us call your attention to the fact that the Senate proposes to permit these various agencies to limit the use of city streets, county or state highways and yet these government agencies must recognize that these commercial vehicles will be paying 44 percent of the total users tax.

We do not know the exact amount of money that was spent on the Arroyo Seco Freeway or the approaches to such freeway that has been paid out of users tax money. The commercial vehicle operators are paying 35 percent of the present users tax and yet they are not permitted to use this freeway that they helped build and are helping to maintain.

There are some facts regarding the 1946 registration of trucks and trailers that should be called to your attention.

There was registered 390,751 trucks and trailers that had an unladen weight of under 3,000 pounds, leaving 312,825 that have an unladen weight of 3,001 pounds and over. The 390,751 vehicles pay the same fees as paid by automobiles. In other words, they pay just the $3 registration fee. Breaking this 312,825 vehicles down, we find that 225,524 have an unladen weight between 3,001 and under 6,000 pounds, and pay the $8 weight fee. That is the second group. In the weight group bracket of 6,001 and under 10,000 pounds, there are 64,635 vehicles and most of these vehicles pay the $40 weight fee at the present time. The vehicles having an unladen weight of 10,001 pounds and over number to 27,666 and pay a weight fee of either $50 or $70. From the above figures can be seen that the number of so-called large vehicles is less than 4 percent of the total.

The proposed change in taxes of commercial vehicles on four typical truck trailer combinations shows that the annual average per unit tax paid today amount to $1,170.07. The average for the same units under Senate Bill No. 5 will be $2,898.60, or an increase of $1,728.53. These units are the type that are used to transport fruit and vegetables to canneries or packing houses, livestock from ranches to feed lots or markets, hay, grain, general merchandise, building materials and lumber.

These increases are after taking into consideration the repeal of the 3 percent transportation tax.

This proposed tax program on the larger commercial vehicles is the equivalent of adding a 10½ cent additional fuel tax covering only the so-called ton-mile tax bill, or in other words, the increased tax on gasoline would be the equivalent of paying a state tax of 15½ cents a gallon and a diesel tax of 18 cents a gallon.

These proposed tax increases will require the for-hire carriers to obtain an increase in rates of from 10 to 15 percent. The Farm Bureau estimates that this will cost the farmer $15,000,000 annually to pay the additional cost from this tax.

Some questions were asked, and I think it might be well to mention them here. We sent out a questionnaire to a group of operators and got back some replies. They just started coming in and they have information as to what effect this would have on individual carriers. We asked for the gross receipts tax, registration fees, mileage tax, the fuel taxes, both diesel and gasoline and so on. One carrier down in San Jose now paying $57,739.81—his tax will be raised to $123.208 64, or an increase of $65,468.83. That firm did a gross business of $761,000.

Another firm—and this gentleman is in the audience here—he paid $29,827.55 in taxes and his tax will be increased to $82,731.67, or an increase of $52,904.12. He did a gross business of $475,000. Those are two large operators so-called.

Now, here's a little fellow. He lives up at Windsor. He's got one truck and a trailer. He's now paying on that outfit $1,672 30. His tax will be increased to $4,100.92, or an increase of $2,428.62. He drives his own truck and tries to make a living. He was in the Army and almost lost his business. But anyway, he's back now in business and that is what it will do to him. There is a fellow up in Eureka. He is paying now $13,741.48, and will be increased to $23,111.16, or an increase of $9,369.68.

There is another operator down at Santa Maria He is now paying—he is not a large operator—but he is paying $6,497.65 in taxes, which will be increased to $18,118.03, or an increase of $11,620.38. He did a gross business of $114,000.

Here is another one-truck operator. He hauls livestock. He's got a truck and trailer. He is now paying $1,678.88, which is going to be increased to $2,889.14. When he sent this report in, he just put a little note on there. Apparently he and his wife run the business. "Our living came out of the depreciation this year. Just what will we do for our livelihood in the future if this tax bill should be passed? I own and operate my own truck, service and maintain same to eliminate a large percentage of expense to meet the purchase payments toward ownership."

I can give you a lot more of them, but that is just typical of what this means to the individual firms, and there is no business I don't care where it comes from, can stand that kind of an increase. I don't care whether it is a grocery store, or a newspaper, or anyone else. They can't take that kind of an increase and survive.

Certain representatives of governmental agencies and some representatives of chambers of commerce and other organizations have appeared before this committee and have very graciously recommended the levying of a high tax on the truck operators. We have been criticized publicly for opposing Senate Bill No. 5 in its present form. However, we

believe that such people who have criticized us have not given full consideration to the impact of the proposals of Mr. Collier and his committee on the economy of the State. We have pointed out the fact that the present tax together with other revenues available for highway use will produce 53 percent more money than the Collier committee has indicated is needed for the over-all highway program. We have also endeavored to show the heavy burden that is to be assessed against the truck industry and to point out under the language of this legislation that the proponents are most anxious to first require the trucks to pay 44 percent of all users taxes and then refuse to let trucks operate on the highways for which they pay. It is an undisputed fact that everyone who uses the highways wants the best highways that can be constructed; however, it is equally true that the property owners who benefit substantially by having good highways and other users would not object to having the truck operators pay the bill.

Motor truck transportation affects the economy of California more than any other single industry and that is just as true of the people who live in the cities as for the producers of agricultural commodities. All products of agriculture must be moved by motor truck at least to the first point of disposal. No retail merchant has an article that he sells that a motor truck does not transport to his store. We know that you fully appreciate the importance that trucks are to everyone in this State. There are over 2,400 communities completely dependent on motor trucks.

Now, I had prepared some statements in connection with this ton-mile tax in detail, but Mr Anderson gave you a very comprehensive report as to the effect of that tax and what some people have said. Rather than to duplicate a lot of the record, I'm going to skip most of it, although I want to assure you that the things Mr. Anderson gave you yesterday are absolutely our opinion as well as his.

Here is one thing that seems that I would like to read though, that Mr. McDonald, Chief of the United States Public Roads Administration, said in one of his statements. "Contrary to the popular impression, the concentrated loading of motor vehicles which may legally be used on our highways are not increased over the loads which were provided for prior to the advent of a single truck or bus. The specifications for the early macadam roads in the country generally provided that a 10- or 15-ton roller, with two-thirds of the weight on the rear axle should be used."

Then he went on to a lot more, but it is not necessary because I think Mr. Anderson covered it.

There is a short statement I do want to bring to your attention by Professor John S. Worley, which reads as follows:

"Professor John S. Worley, a member of the University Faculty of the Engineering College of Michigan, probably has given the subject of highway construction and maintenance and other related subjects as much study as any other man in his profession. He delivered a paper at the annual meeting of the American Association of highway officials on December 18, 1946, at Los Angeles This report was the result of a study by the engineering college of the State of Michigan in cooperation and in conjunction with the Michigan State Highway Department. The study had to do with the basis that state highway engineers should use in

determining gross load allowable for dual axles and other related subjects. In addition to research work and checking reports of other authorities, Mr. Worley and the Michigan State Highway Department carried on a series of tests. The conclusions reached by this study indicated that axles spaced 42 inches apart with an axle loading of 18,000 pounds could have a gross load of over 300,000 pounds without overstressing the paving surface if it was practical to construct a vehicle of such a design with an over-all length of 60 feet."

Sixty feet is our over-all length in this State. A copy of Mr. Worley's report can be furnished if the committee members desire a copy.

The gross weight limitations as established under the motor vehicle code were rewritten in 1941 but the use of a gross weight formula and an established 18,000 pounds per axle has been in effect in this State since 1937. The gross weight formula was prepared by our own Division of Highways in conformity with these standards established by the American Association of state highway officials. Under this gross weight formula which is covered by Section 705 of the Vehicle Code, the weight on dual axles is reduced from 18,000 pounds per axle to 15,400 pounds per axle.

There is another point I would like to make and that is this, that there isn't a highway, a freeway, expressway, or parkway, or whatever name you wish to use, in the entire United States which is built and used exclusively by automobiles that is of any other construction than the same type of highway which would be built if it's got mixed traffic. We have got one and only one in California and that is the Arroyo Seco Freeway. Those lanes are the same width, the curves are the same, the bridges are the same, the thickness of the pavement is exactly the same, as though it were going to have mixed traffic, so this question of these highways being constructed heavier for commercial vehicles or mixed traffic is just one of the things that are being used to try to boost up the tax.

There has been no evidence ever introduced or submitted to this Legislature or to anyone that shows the maintenance cost of highways has increased proportionate to the increase in weight.

As a matter of fact, the only case that we have been able to get any figures on in California as to maintenance cost is on that Altamont Pass in Alameda County. It is a new four-lane divided highway through the Altamont Pass. The old highway was returned to the counties. It was built better than 25 years ago. The trucks used the old highway, and the cost of maintenance is $150 per mile per year less on that highway than it is on the other one.

There is one other subject that I want to go into a little more in detail and that has to do with this diesel tax There has been a lot of discussion as to the fact that diesel fuel should pay a higher rate than gasoline.

In the Collier committee proposed tax program it has been recommended that the tax on diesel fuel be 50 percent higher than the tax on gasoline, butane and kerosene. At the outset we are definitely and unalterably opposed to any differential in tax on different types of fuel and we further do not believe that the staff of the Collier committee's investigation is fair. The Collier committee staff itself did not make any actual investigation other than accept what a couple of states have done. They received what purports to be an investigation made by the State Board of Equalization. Mr. Zettel indicated that it was reported to him that

some five firms were checked. We presume that these firms were operating both gas and diesel equipment having the same gross weight and operating over the same highways. No information was given in order that we could verify their investigation.

We made our own investigation over a period of time and the results are very much different than those presented by Mr. Zettel, which figures were furnished to him by the State Board of Equalization. As a matter of fact, our investigation went back before their report was ever made. We find the same variation in miles per gallon of diesel equipment as you do in miles per gallon in gas equipment. We find that since the war new gasoline engines are developed which are producing from one to two miles more per gallon than is obtained from diesel equipment operating over the same roads with the same gross loads.

The difference in mileage will vary depending upon type and different conditions of the equipment Gear ratio and speed at which vehicle is driven has much to do with the different miles per gallon of any fuel. Any of you who operate an automobile with an overdrive, know when you use the overdrive on the highway you get a difference in mileage That is what we mean by gear ratio.

According to information we have received from a reputable chemist we find that 30 gravity diesel fuel has 19.420 B.T.U.'s per pound, and that 58 gravity gasoline has 20,210 B.T.U.'s per pound. Since diesel fuel weighs more per pound than by the gallon, the ratio is reversed, diesel fuel having 141,800 B T.U.'s per gallon and gasoline having 125,800 B T.U.'s per gallon This would indicate that there should be a greater efficiency for diesel fuel than for gasoline There is likewise a variation in the B.T.U.'s in various grades of gasoline and butane. The low gravity diesel fuel has more B.T.U.'s than the higher grade. The same is true in gasoline. Third structure gasoline has 126,500 B.T.U.'s, high grade gasoline has 125,800, and butane 102,000 B.T.U.'s. So obviously the miles per gallon secured from various grades of fuel used in motors does not lie so much in the fuel itself, but largely in the design and construction of the engine and appliances, and in the use or control of the motor vehicle.

There is another factor to which the committee should give consideration, and that has to do with the manufacturing of petroleum products. Out of every gallon of crude oil the oil companies obtain certain products, and markets have been developed for such products. Diesel fuel at one time could only be used as stove oil, but by further refining it became a valuable product. When diesel engines were first used in trucks the price was around 5 cents per gallon, whereas it now costs 8 cents (without tax). The state sales tax applies to diesel fuel. By increasing the fuel tax on one particular grade of fuel over another grade it will very shortly have the result of eliminating that type of market.

The truck operators, in putting in diesel equipment did so because, first, the fuel cost less than gasoline, and at the time this equipment was installed they were getting a greater degree of efficiency and pulling power out of diesel equipment than out of gasoline. However, it has dropped to a point now where the operators are switching over to gasoline and butane with higher horsepower gasoline engines than previously used. While the cost to the truck operators does not necessarily have a

bearing upon what the tax should be, it does definitely determine what type of equipment they will operate. The maintenance cost of operating diesel equipment is much more expensive than for a gasoline engine. Parts cost more and the engine uses more lubricating oil. The original purchase price is more than for a gasoline engine. If it was not for the difference in fuel cost and the fact that they obtain a greater amount of efficiency on grades than many of the present gasoline engines, there would be no diesel engines used. Operators of diesel equipment would not be able to compete with other carriers if they are required to pay a 50 percent premium in the way of tax for their fuel, and therefore, it would have the effect of putting such carriers out of business.

It might be interesting in passing in connection with diesel equipment, one of the reasons that they became popular, particularly down across the deserts of Southern California where it is pretty hot, is that the gasoline engines would get extremely hot. They even had to put two or three-inch blocks on their throttles to keep their feet from getting too hot. With the diesel engine, it is very difficult to make that engine boil. It won't boil unless it is improperly adjusted. In the second place a gasoline engine will lose 3 percent of efficiency for every thousand feet of elevation. Therefore, going over the Donner Pass, you lose 21 percent efficiency in a gasoline engine that you don't lose with the diesel engine, but that has nothing to do with the use or amount of fuel per mile, because you will find there is just as much variation in one engine as compared to another, so it is absolutely impractical to set up a differential.

Reference has been made in the staff's reports to what has occurred in other states. No one can justify an increase over gasoline because the State of Nevada or Texas has a differential. At the time their original diesel tax was enacted it was done to get some added revenue. Any statement made to the effect that these other states have placed a higher tax on diesel is no argument as a basis for the Legislature of California doing the same thing.

These facts were fully recognized by the Legislature when the original diesel tax bill was passed, which kept the tax on diesel fuel the same as on other motor fuels. We respectfully urge the committee to give the above facts full consideration, and permit an orderly marketing and use of all types of fuel.

At the hearing before the Senate committee some of the Senators appeared to consider the question of the cost of the fuel as being a factor in the establishment of a tax for highway use. We do not believe that the cost should be given any consideration in the establishment of a tax.

Competition takes care of that matter insofar as the shippers are concerned because there is plenty of competition. Any economies that are created by lower cost fuel is for the benefit of the shipper.

According to the Department of Motor Vehicles' 1946 Report of Registration there were 5,540 diesel engines registered of which approximately 1,100 are busses. If the Legislature is going to establish a differential between diesel and gasoline then they should go into the subject very thoroughly and establish other differentials between other grades of petroleum products.

There are a number of different types of fuel used regularly by commercial vehicles, standard, ethyl, high test gasoline, butane, and diesel. The high test is coming into use since the end of the war and may

develop into a substantial quantity. The same mileage is not obtained from any type of fuel. To pick out one of the types of fuel is discriminatory.

The present revenue from the diesel tax as shown in the 1947-48 Budget will amount to $2,500,000. The small amount of additional income that would be produced by the imposition of a differential in tax will only be for a temporary period because the operators would get rid of them as soon as they possibly could.

We do not believe that a higher tax on diesel fuel than on other types of fuel is constitutional. We have made exhaustive checks to find if this has been tested in the courts. There has been one court case that justified an equal tax on diesel with gasoline even though the gasoline tax was chargeable to the distributor and the diesel tax against the user. One test case of charging a ton-mile tax on diesel equipment in place of a tax on a gallonage basis was held unconstitutional. From our investigation, we believe that we can prove in court that it is gross discrimination to levy a higher tax on diesel fuel than other types of fuel used by highway users. Should the Assembly agree with the Senators' idea and the courts would hold the diesel tax unconstitutional, then the diesel users would continue to pay three cents a gallon until such time as the Legislature should change the tax and keep it at the same rate per gallon as gasoline.

We most earnestly urge the Legislature to keep the tax on all fuels the same and not attempt to establish differentials between different types of fuel.

There has been considerable discussion in connection with the 3 percent transportation tax. Throughout the various reports and in the bill under discussion is the 3 percent transportation tax collected by the State Board of Equalization from the for-hire carriers. This 3 percent is not collected from operations exclusively within a city and as a result bus operation, local drayage, taxicabs, express companies who confine their operations exclusively to cities or cities contiguous to each other do not pay this tax nor does this tax apply to those transporting their own property.

This tax was enacted in 1933 not as a revenue measure, but as a punitive measure against the so-called contract truck operators. Common carriers both truck, busses, and the railroads were paying an in-lieu tax covered under Section XIII in the State Constitution. Those who were paying this in-lieu tax asked the Legislature to tax the contract truck operators on the basis of these carriers' gross receipts. At the same session of the Legislature, the Stewart-Riley tax plan was passed and later approved at the general election on the following November, 1934. This Stewart-Riley plan returned the public utilities to the county assessment rolls. Had this 3 percent transportation tax been a part of the Constitution, it would automatically have been repealed. However, because it was an act of the Legislature it remained in effect. We have been endeavoring ever since to get rid of this discriminatory tax and the Legislature by an overwhelming vote in 1943 and in 1945 passed a repeal of this tax. However, the Governor pocket vetoed both bills.

We do not believe that this tax is fair. We believe it is discriminatory and we sincerely urge that it be repealed. The for-hire commercial vehicle

operators subject to this tax have been penalized since 1933 to the extent of $44,000,000 up to the end of 1946.

We recommend that the Legislature first establish an absolute highway program with a maximum limitation that can be expended for state, county, and city highways out of users money or other state funds.

We further recommend that a full and complete accurate report be established on present available moneys for highway use and that a further complete estimate be obtained of future income that will be available for highway use from the State, county and cities based on present taxes and money that can be used.

That a complete determination be made as to the amount of actual work that can be completed each year with full facts as to the availability of material and labor. This should be furnished from the cities, counties and State.

If it is determined as a result of these studies and a policy established by the Legislature as to the amount of new money that the Legislature will authorize to be spent, we will not object to a reasonable increase in fuel tax and the same percentage of increase in fuel tax in registration and weight fees, providing that there is no discrimination in fees and taxes paid by various commercial vehicle operators, and no discrimination in fuel taxes.

That completes my records and testimony.

CHAIRMAN HOLLIBAUGH: Thank you, Mr. Thompson. Perhaps we'd better take a 10-minute recess, and then will you come back to the microphone so the boys can ask you some questions.

(Thereupon there was a recess from 3.10 to 3 20 p m.)

CHAIRMAN HOLLIBAUGH: The committee will come to order. Mr. Geddes wishes to ask some questions of Mr. Thompson

ASSEMBLYMAN GEDDES: Mr. Thompson, we have your testimony which I think naturally substantiates a great deal of that given by the representative of the trucking industries yesterday. I'm glad it is going into the record because you have given some very important figures. However, there is one particular question that I would like to ask because I think it is pertinent to our problem. Understanding that there is a good deal of opposition to the rate of tax per mile or the ton-mile tax as we call it, have you any estimates of any of the projections that have been made as to what amount percentwise or in dollars would be collected if we eliminated this property bill? In other works, if we looked to revenue producing means and say took the gross weights of vehicles as proposed and elminated the rate per ton-mile?

MR THOMPSON: Well, there is one problem there. I have only got with me the estimate of ton-mile tax plus the weight fees that are included. One section of the act sets up a minimum fee plus the weight fee. That is in the amendment to Section 372 of the code.

ASSEMBLYMAN GEDDES: Now, I'm talking on Senate Bill No 5 as amended March 10, Chapter 5.

MR. THOMPSON: The tax in that bill in my estimate for the registration just for trucks is $4,624,000 for the first year, and the mileage tax and weight fees in No. 5 would amount to $31,608,000. Those are the two tax items in No. 5 outside of the fuel tax. Now, the present tax, the registration and weight fees, which is the $3 fee and the $8 fee as set forth in Section 372 is $8,692,000.

ASSEMBLYMAN GEDDES: Well, in other words, comparing totals then, we have a ratio of 8 to 35.

MR. THOMPSON: That is right.

ASSEMBLYMAN GEDDES: But, we don't have anything except conjecture as to what would be the revenue produced by imposition of the ton-mile tax. You would have to take averages and try to estimate what miles would be traveled and what vehicles, at different weights, what they would be carrying and how often, and all that?

MR. THOMPSON: That is right. Now, how I arrived at my figure, I found out the conversion figure between unladen weight and gross weight, and I applied that percentage of increase to the rate of the amount of the money as calculated in the report of the Collier committee. I did not go into the mileage factors at all. I only took the percentage of increase on the basis of conversion of unladen weight and gross weight.

ASSEMBLYMAN GEDDES: I think when the bill is finally before us, I think that is going to be quite important because the committee will finally determine how much yearly revenue is necessary and what means are necessary to raise it. Then, if we eliminate any section, we must know what effect that would have upon the totals, so if the estimate of the ton-mile tax could be subtracted in formula form or some valid estimate made, I think it would be helpful to the committee.

MR. THOMPSON: I can figure this out very easily. That is the weight fee that is set up in Section 372 or whatever new sections under No. 5 which runs from 4,000 pounds to 16,000 pounds. I have got the figures of breakdown.

ASSEMBLYMAN GEDDES: In other words, if we could take the weight fee on the estimate of trucks that will be in existence at that particular time and subtract it from 31,000,000 we would have approximately the figure to be yielded by the ton-mile tax, wouldn't we?

MR. THOMPSON: That is right. There is only one thing I cannot check on this that is very accurately is the vehicles that are at the minimum weight.

ASSEMBLYMAN GEDDES: That is Section 372?

MR. THOMPSON: No, 9651. And the reason that that is different is because most of the vehicles particularly in the Bay areas, San Francisco and Oakland and also Los Angeles apply very substantially to a lot of vehicles in the urban area of Los Angeles that will not run the 10,000 miles provided for in this minimum fee a year. And therefore, those vehicles would run less than 10,000 miles per year and they will pay this minimum fee as set up in Section 9652 of this act.

ASSEMBLYMAN GEDDES: Well then, if it is possible before we conclude hearings on this bill, I would suggest that anyone interested in this particular feature, Mr. Chairman, should have some sort of, at least an estimate prepared so that we would know what effect it would have on the total revenue to be derived. That is the only question I have, Mr. Chairman.

CHAIRMAN HOLLIBAUGH: All right, Mr. Geddes. Mr. Stewart.

ASSEMBLYMAN STEWART: Mr. Thompson, did you make the statement that you have just made to this committee to the Committee of the Whole of the Senate, or any committee of the Senate when they were considering Senate Bill No. 5?

MR. THOMPSON: Our statement to that committee was generally the same as this except I went into a little more detail in connection with the ton-mile tax. Insofar as the final recommendation was concerned, we made this statement to the Senate that we would be agreeable after the determination of the amount of money that is needed to pay our fair share of whatever is required. Beyond that, they made no further recommendation.

ASSEMBLYMAN STEWART: In my particular answer I want—to your own knowledge, did the Senate Committee of Transportation or as a Committee of the Whole have this full statement of for-hire truck owners as to their opinion in relation to the conditions that would prevail if Senate Bill No. 5 was adopted?

MR. THOMPSON: Well, I went into a little more detail here today, but not much more. I gave you the same percentage increase in cost for vehicles. I went into more detail in connection with the ton-mile tax as to wear and tear on highways. Otherwise, in general, this statement is exactly the same, practically the same as the statement except for added detail and elimination of a small amount because it was previously answered by other witnesses, that I gave to the committee on December 21, 1946, the Collier committee.

ASSEMBLYMAN STEWART: You spoke of the desirability of an audit being made. Did you mean an audit of the Department of Public Works or an audit of the funds collected from gasoline tax, registration fees, fuel tax, users tax, and all kinds of tax? What was your idea in suggesting an audit by a certified public accountant?

MR. THOMPSON. There has been a lot of questions raised and I have tried to analyze them myself, and figures have been submitted and are a matter of record in the journals of the Senate and Assembly as to the amount of money that is available for highway use at the present time and how much will be available for the next year based on the amount of money that we now have and the amount of contracts that have been let and the amount of unexpended contracts that will be on hand on June 30, 1947. Every time you think you have a figure tied down, something happens and you haven't got anything tied down, and there have been various statements made before the committee and the Senate committee as to the amount of money that would be needed for this coming year and possibly to 1950. Now, every time anybody mentions a figure, somebody says there is something wrong with that figure. They keep books differently and they have half a dozen different sets of books over in the Department of Highways. Maybe they are all right. I don't question the fact that the books are all right, but if we are going to determine how much money is going to be needed year by year, we at least should have a starting point. If we are not going to believe our Legislative Auditor and other people who have presented figures, and we have spent so much money to get something, let's spend a little more to get a starting point to know how much money the users are going to have to pay, and you have got to know how much you have got to start with before you can start estimating the future.

ASSEMBLYMAN STEWART: I understood you in your statement to say that you were confused as to the amount of money that the department now has. That was the point I wanted to find out, wherein in your opinion should this proposed audit, if it was made, where in your opinion it should begin.

MR. THOMPSON: Well, the money, as I understand it, can't be spent without the Controller's Office has a certain control over certain moneys. Now, it appears that they set aside certain moneys when they let out work orders over in the department. That money is then set aside for particular functions. I don't know whether the actual money has been expended or set aside in separate funds or not.

ASSEMBLYMAN STEWART: Let me ask you, have you been as diligent in endeavoring to get the figures from the department and undertake to arrive at what in your judgment was the actual condition, as you have in providing this other information? Have you endeavored to get this information from the department?

MR. THOMPSON: I have not asked the department for any figures. The only figures I have used are those that have been submitted to the various committees.

ASSEMBLYMAN STEWART: And by the Controller?

MR. THOMPSON: By the Legislative Auditor and by the Department of Highways and by the Western Oil and Gas Association, and others.

ASSEMBLYMAN STEWART: The Department of Highways would be a portion of—it would be the Department of Public Works indirectly?

MR. THOMPSON: That is right.

ASSEMBLYMAN STEWART: And you have asked them for these figures and in your research you haven't found the figures to conform with each other?

MR. THOMPSON: I haven't asked the department for any figures. I have only taken the figures they have submitted at open hearings and are now a matter of record in the Journal in the Senate and Assembly. In addition to that, I have a copy of the so-called Budget and I have tried to reconcile that with the figures that have been submitted at various times.

ASSEMBLYMAN STEWART: I thank you very much.

CHAIRMAN HOLLIBAUGH: Mr. Julian Beck.

ASSEMBLYMAN BECK: Mr. Thompson, I'm interested in your statement that perhaps the trucks would not be permitted to use these expressways if established. If I understand it correctly, under Senate Bill No. 5, there are two sections that say common carriers and busses may use the highways if they have a certificate of public convenience and necessity. Is that true?

MR. THOMPSON: That is what the act says, Section 298.1 for trucks.

ASSEMBLYMAN BECK: So at the present time trucks, for-hire trucks, and busses, can only use the state highways if they have the state certificate of public convenience and necessity, so this doesn't make a change?

MR. THOMPSON: Yes, it does. There are some 14,000 for-hire truck operators in the State of California, according to the last figures I have seen, and there is less than 200 that have been required to have a certificate of public convenience and necessity. Now, those 200 or approximately 200 are those carriers who are subject to jurisdiction of the Public Utilities Commission under the Public Utilities Act. The other carriers are subject to the jurisdiction of the Public Utilities under the Highway Carriers Act passed in 1945 and the City Carriers Act passed in 1935 also.

ASSEMBLYMAN BECK: Now, that leaves Senate Bill No. 5—now then, with the direct permission for certain carriers to use the highways. Is there any prohibition in Senate Bill No. 5 from other trucks using the highway?

MR. THOMPSON: They have to have a certificate of public convenience and necessity. It is only that group that can use them.

ASSEMBLYMAN BECK: That is the common carriers?

MR. THOMPSON: That is right.

ASSEMBLYMAN BECK: Now, with respect to Section 459 of the Motor Vehicle Code where it provides in that particular section—Senate Bill No. 5—that section would be applicable along the expressways. There are two sections I think which are applicable to Section 459 of the Vehicle Code, Section B which gives the cities the right to license and regulate the operation of vehicles for hire and Section H which prohibits the use of particular highways by certain vehicles except as otherwise provided by the Railroad Commission and so on, and it goes on further to say that no such ordinance can be approved without the consent of the Highway Commission.

Now in the Arroyo Seco Freeway in Los Angeles, the Highway Commission did not give that consent, did they?

MR. THOMPSON: On the Arroyo Seco Freeway, the way they get at the trucks and busses on that freeway is the fact that the approaches to those freeways are controlled by the cities and they restrict the approaches. If the truck or bus could ever get on, it could operate on it. There is nothing illegal about their operating on it if they can get on it.

ASSEMBLYMAN BECK: So there is a possibility then that cities could actually keep the trucks from getting on the freeways?

MR. THOMPSON: It is not a possibility. It is an actuality.

ASSEMBLYMAN BECK: Now the State Highway Department if it so wished, it could with an agreement with the city exclude trucks from the freeways?

MR. THOMPSON: That is right.

CHAIRMAN HOLLIBAUGH: Mr. Kirkwood.

ASSEMBLYMAN KIRKWOOD: I would like to ask a few questions, Mr. Thompson As I remember, you referred to the in-lieu tax as a license fee.

MR THOMPSON: The act provides, and this is actually taken out of the section of the Revenue and Taxation Code, it is a license fee for the privilege of operating upon the public highways in this state. Then it goes on to the * * *

ASSEMBLYMAN KIRKWOOD: Hasn't it been generally considered, however, by the economists on the Collier committee and by almost all the persons dealing with this program, to call it a license tax? It is a misnomer even though it is described in that bill. That is a property tax and should not be considered as part of the user taxation of this State.

MR. THOMPSON: Well, it was enacted in lieu of the personal property tax. That is the fact of the case, but there is no reason why being a private tax for the use of the highways that they cannot use those funds for highway purposes.

ASSEMBLYMAN KIRKWOOD: You are suggesting that it should not be returned to the counties and the cities, and that part of it should be considered as a user tax?

MR. THOMPSON: No, I did not. I didn't mean to convey that thought at all.

ASSEMBLYMAN KIRKWOOD: You included it in your estimate.

MR. THOMPSON: The tax of the proposed legislation, which we would not take any part in one way or the other, provides that the money was

to be returned 50-50 to the counties and cities. Now, 20 percent goes to the State, and the balance after the cost of collection is taken out is returned to the cities and counties on a 50-50 basis, the residue which is approximately 40 percent to each. And they should continue to do so. There is no reason why they shouldn't. Now, if you return the whole amount, less collection costs, why the cities and counties can use that amount of money on their city streets and county highways. I didn't recommend, and I'm not recommending it be used on state highways, but it can be made available, and is available for the cities and counties to use in connection with their own obligation, or it is there for their streets and highways that they must maintain out of their own funds.

ASSEMBLYMAN KIRKWOOD: In this 10-year revenue of over $3,000,000,000, did you include the in-lieu tax then?

MR. THOMPSON: I did.

ASSEMBLYMAN KIRKWOOD: In toto?

MR. THOMPSON: That is right.

ASSEMBLYMAN KIRKWOOD: You also mentioned the fact that we pay $80,000,000 in federal taxes a year, is that right?

MR. THOMPSON: The motor vehicle user of the highway, that is the automobile, the truck, busses and everybody, pay in nationally $806,000,000, and the only way you can break that down is on the basis of registration, which I think is an equitable basis, and that would amount to in excess of $80,000,000 that the highway user, which is the automobile, truck and the bus, is paying to the Federal Government in excise taxes annually.

ASSEMBLYMAN KIRKWOOD: That includes what taxes?

MR. THOMPSON: The one and a half cent gas tax, the excise tax on tires, batteries and parts, the excise tax on the equipment.

ASSEMBLYMAN KIRKWOOD: I can't quite see that much of that is pertinent to the present inquiry here on our roads. It may be that the amount is excessive, but I don't see that it bears on this question, does it?

MR. THOMPSON: To this extent, and I think it very definitely bears on it. We have been receiving fairly substantial amounts of money from the Federal Government, $23,000,000 a year for the last three years, and they extended the amount of appropriation, the period of time we would get it because a lot of states, and presumably this State, as well as others, couldn't get materials to complete these highways to match the funds. Now, when they made these estimates up for the amount of revenue we were going to receive, they gave little consideration to any federal aid. Now, the fact that the users are paying a substantial amount, not only from this State, but other states, it is inconceivable that our Congressmen are going to cut off the states all of a sudden from this amount of money which they have recognized for years and years that they have a definite responsibility for federal aid highways, highways that are used in this State and which are primarily highways that are national defense highways, and the Federal Government has recognized their responsibility in connection with those. They have also recognized a responsibility for market, farm to market roads. They have recognized a responsibility for urban streets, and they have done so as a result of a number of things. I haven't the full references, but they in figuring the amount of money we are going to get, they have forgotten all about

the money we are going to get from the Federal Government, because it takes an appropriation by Congress.

Now, is it reasonable that Congress all of a sudden is going to cut off 48 states, and most of them are in dire need of money for highways, the same as we are. I don't think so. I think very frankly that there will be as good an appropriation in the future as there has been in the past based upon the—as a matter of fact, I think the Federal Government recognizes more today their responsibility for national defense highways, and I think they should recognize at least that California is pretty vulnerable during this world war and highways were just as necessary for the conduct of the war here as many other things, and I don't believe that the Federal Government is going to cut off this federal aid.

Just the mere fact that it takes an appropriation from Congress doesn't mean that we shouldn't figure that we are entitled to some money from Congress when we pay that amount of money. Now, it is recognized by certain groups that are asking for the repeal of this gasoline and other excise taxes—that is all right if they repeal those taxes. I don't think anybody would object to supplementing that tax on top of our present tax if it was necessary.

But, the facts are, as far as the latest reports we have had from Congress, that they have not repealed any of the excise taxes that apply to motor vehicle or highway users. Therefore, I think it is reasonable that they should continue to make appropriations. At least, I have recommended that this committee, or the Legislature here ask our Congressmen just what they are going to do. I mean, I think you have a perfect right to do that. Now, if you ask them and they say they are not going to do anything and they are not going to give anybody any money out of these excise taxes that are paid by the highway users, then we can't count on that money coming in for these federal aid highways.

ASSEMBLYMAN KIRKWOOD: That is a pretty tenuous basis for basing a highway program on. I mean, it would have to be passed by Congress, which doesn't have under contemplation any highway program at the present time. I agree we should take into consideration some federal aid. Perhaps more—I think you are down to a figure of what, after this first year?

MR. THOMPSON: The average of the eight years prior to the first world war * * *

ASSEMBLYMAN KIRKWOOD: How much is that? Around twelve or thirteen million dollars?

MR. THOMPSON: No, I don't think it is much more than $8,000,000 a year.

ASSEMBLYMAN KIRKWOOD: I agree that we should probably look to more federal aid than that I think it is ridiculous to expect to get back on eight or ten million dollars of the tax money paid in. But, I don't think that we can count on too great cooperation there. Perhaps we should look for a reduction in that tax, and in the meantime, we are just going to have to go ahead and proceed without it.

MR. THOMPSON: May I ask this question? Is it not reasonable—I mean, the Legislature very frequently communicates with our Representatives, Senators and Members of the House, and you could ask them what is going on there, and I called this to your attention and I have recommended that you, the Legislature, ask them this question. Now, we

could write them, or other users could write them, but I think you would get an answer, whereas they might not—they might give us more of an evasive answer than they would the Members of the Legislature. That is why I suggest—you will notice, Mr. Kirkwood, that I recommended that the Legislature ask them what they are going to do about it.

ASSEMBLYMAN KIRKWOOD: Do you think we would get an answer that would go beyond two years?

MR. THOMPSON: No, I don't think so, because Congress doesn't appropriate money more than that far in advance. We are not going to do it either. We have a year's budget now in this State that amounts to our last two years' budget, and you are not going to appropriate money beyond one year.

ASSEMBLYMAN KIRKWOOD: I don't think Congress has had a committee working on the problem of a definite highway program.

MR. THOMPSON: They have got books by the carload out on this interstate highway system They have been carrying on and conducting investigations on an over-all interstate highway system, some 40,000 miles of highways. I think that is about the figure, and that is going on now and has been going on for years and has developed more rapidly in the last few years, as to this interstate highway system, and I've got two or three books over there if you would like to take the time to read it over because it is not an issue that is being just by-passed by the Congress. They may not have a committee working on it this very moment, but it is a live issue on this interstate highway system.

ASSEMBLYMAN KIRKWOOD: I take it is your opinion then that neither Congress nor the legislative group in California should at any time provide for more than two years in advance on this highway program.

MR. THOMPSON: Not under present economic conditions.

ASSEMBLYMAN KIRKWOOD: Going a little into the truck taxes again, you say that the registration and weight taxes now raise about eight million dollars for trucks?

MR. THOMPSON: That is right.

ASSEMBLYMAN KIRKWOOD: The 3 percent gross receipts tax raises how much?

MR. THOMPSON: Well, the last figures I had was about six million five hundred thousand dollars, although the Collier committee estimates for this next biennium it will be approximately seven million dollars.

ASSEMBLYMAN KIRKWOOD: So that the two taxes in combination raise about fourteen million dollars?

MR. THOMPSON: Around thirteen or fourteen million dollars.

ASSEMBLYMAN KIRKWOOD: The farthest you are willing to go aside from the increase in gas and proportionate increase in diesel taxes, would be a 50 percent increase in rate in weight and registration fees? In other words, up to 12,000,000, and the removal of the 3 percent gross receipts tax, is that right?

MR. THOMPSON: That is right.

ASSEMBLYMAN KIRKWOOD: Thank you very much.

CHAIRMAN HOLLIBAUGH: Mr. Loomis.

ASSEMBLYMAN LOOMIS: Mr. Thompson, I would like to ask you one question. Do you think there would be any savings on time, fuel, wear and tear on equipment operated over the type of highways planned than there are on the present highways?

MR. THOMPSON: Well, naturally if you have a four-lane highway, a divided highway, from the point of origin of a commodity to destination, you can get there faster than you can over where there is a certain amount of congestion. However, let me point this out, the majority of trucks are operating when there is the least automobile traffic on the highways. Now, to what extent that will cut down the cost of fuel, I don't know. Insofar as labor is concerned, which is one of your principal items of cost in trucking, it probably won't save one cent.

ASSEMBLYMAN LOOMIS: Well, do you believe this—I had a discussion with a truck operator operating from here to Chico, a distance of approximately 100 miles. He told me that if we had a decent highway over that route that he would be able to save two hours per day on each truck that he sends up there besides the wear and tear and the fuel.

MR. THOMPSON: Well, I won't dispute a fellow who is driving over that road. If he says he can save that, I wouldn't dispute him, but I can hardly conceive how he can save two hours between here and Chico.

CHAIRMAN HOLLIBAUGH: Mr. Dills.

ASSEMBLYMAN RALPH DILLS: Most of the questions which I desired to ask of the trucking industry, we asked yesterday. There was one bit of information I wanted to get, if I could, from you, Mr. Thompson. It is a question of how many counties or what areas are served by railroads in this State? Do you have that by counties? Now, Mr. Sherer gave me the statement that there were some 2,400 communities totally dependent upon trucks.

MR. THOMPSON: I don't have those figures here. I may have it in my office in San Francisco. The National Highway Users got out a statement showing, listing these communities. I don't have it with me here. I can name you a few very outstanding ones. One is Lake County, which has developed into quite a community in producing of pears and other commodities, and it has absolutely no means of getting in there except by truck. The nearest railroad is about 20 miles. There are a lot of other similar communities that are served only by commercial vehicles. Now, I'll endeavor to get that.

ASSEMBLYMAN RALPH DILLS: I'd like to have that. I think the Legislature should have in mind the fact of whether or not if a tax were imposed here which might be excessive and therefore cause the trucks to go off the roads, whether or not even the competitors could take advantage of that and service the people in those various areas. Now, you made reference a while ago in answer to a question from Mr. Stewart here and in connection with your recommendation that a certified public accountant be employed to examine the books of the Division of Highways to the effect that the Controller's office made some sort of an audit, an investigation, and I think because you did mention that fact, I should like to mention, if I may, Mr. Chairman, a letter which I received on the 11th of March from the Controller of the State of California, Mr. Thomas H. Kuchel, in which he states in part, in response to my request for information to determine how much funds were available in the budget of the Division of Highways, he stated that it is the view of the Controller that it is entirely feasible to establish and maintain in his office accounting controls for the recording of encumbrances of all departments and divisions of the State Government, and that such a system with respect to any such department or division, including the Division of Highways,

would furnish at all times detailed information concerning outstanding encumbrances and unobligated balances of any funds available for expenditure by any department or division.

Now, I'm pointing that out because at the present time—well, let me finish another paragraph. "By adopting an accrual system of accounting the Controller would be enabled to make his audit of the expenditures in advance of the time the obligations are incurred, as compared with the practice necessitated by the present system of auditing the claim after the State has already been obligated by the creation of encumbrance."

Now, were you of the opinion, Mr. Thompson, that the State Controller could give you this information?

MR. THOMPSON: Well, the answer to the thing, answer to part of it is that when the Legislative Auditor made a report to the Senate, nobody believed what he said, apparently, or at least some of them didn't.

ASSEMBLYMAN RALPH DILLS: Thirty-two of them didn't, it seems.

MR. THOMPSON: The Controller's office may be set up to, and probably has the staff that might be able to set up the necessary check and could probably keep track of it, if they were authorized maybe to make a complete check of all funds that are available for highway purposes.

ASSEMBLYMAN RALPH DILLS: But, there is no other way you know of at the present time to get such information unless we establish some such method enabling the Controller to do it, or go out and hire private firm to do it?

MR. THOMPSON: That is right, because all the figures I have seen in the journals, you can't reconcile them for some reason or other, and then you check them against the budget and again you don't know where you are at. So some system should be set up so that there will be available information for everyone who is entitled to it to know what we have got and how much and also that can keep the proper check and determine where it is going.

ASSEMBLYMAN RALPH DILLS: Then, you would think this legal, it would be within the prerogatives of the Legislature to pass some type of enabling legislation so that we could from year to year know how much money we had, how much money was spent and how much money we have to be spent within any fiscal year?

MR. THOMPSON: I absolutely do think the Legislature should, and I think the taxpayers who are paying this money should have the information, the information should be of public record so the taxpayers paying this money can also know what is going on.

ASSEMBLYMAN RALPH DILLS: One other question, because I think I didn't understand you correctly in a response to a question from Mr. Kirkwood. You stated the amount of federal aid by year averaged something in the neighborhood of $8.000.000 a year and somewhere, as I recall it, you said that within the last three years we had secured or received something like $23,000.000 a year. Was that your statement?

MR. THOMPSON: In estimating the future income or estimating what we should get from the Federal Government for the next 10 years, I took the figure that is in the Governor's Budget for the 1947-48 Fiscal Year which amounts to $29,500,000, $23,000,000 state highways, and $6,500,000 for county highways. Then, in order not to over-estimate, because a lot of them are saying they are not going to get any money from the Federal Government, I took the amount of money that was

actually paid by the Federal Government to the State of California for the nine previous years, previous to World War II, starting with the—and the figures came from Department of Highway figures, so I did—of course during the war this $1,500,000,000 appropriation of which $500,000 was supposed to have been spent in three consecutive years by the states, to which we were entitled to some approximately $23,000,000 a year.

ASSEMBLYMAN RALPH DILLS: You said $500,000.

MR. THOMPSON: Five hundred million dollars I mean. And our share was $23,000,000 approximately, and a number of states, including California, were not able to match the funds. It was on a matching basis. Therefore, they extended the appropriation.

ASSEMBLYMAN RALPH DILLS: Well, I know, Mr. Chairman, that you are anxious that we have an opportunity to hear from the Legislative Auditor yet today, so I'm going to discontinue my questions.

CHAIRMAN HOLLIBAUGH: Thank you, Mr. Dills. Mr. Boyd.

ASSEMBLYMAN BOYD: May I take just a moment. I hope these questions haven't been asked before, yesterday or today. I would like to direct your attention, Mr. Thompson, to the portion of your testimony that was concerned with the questionnaire that you had mailed out and had received in the form of several returns. Do you have in mind an average reply—approximately what percentage of the gross annual business would be required to meet the increased ton-mileage tax as it now appears in Senate Bill No. 5?

MR. THOMPSON: These are the returns. I haven't totaled them. I turned over the tax bill to a consulting engineer in San Francisco at the time it was presented in its present form and asked him to give me the amount of revenue that would be necessary to offset this increase in tax and his reports came back that it would require from 10 to 15 percent increase. Now, you will find that these will vary with different operators depending upon the type of operation, from up to even above 15 percent.

ASSEMBLYMAN BOYD: I realize that and that is consistent with the one large trucker you mentioned when you said he had approximately $700,000 worth of business a year and would be expected to pay around $70,000 or $75,000 increased tax. Now, do you feel in that case, or in the average case, that it would be unreasonable to increase the hauling rate to cover that additional overhead?

MR. THOMPSON: In the first place, in order to do that you have got to go to the Public Utilities Commission. In the second place, the Public Utilities Commission will not increase the rates until you have actually experienced the effects of any increase of cost. It would produce a loss. Just to give an absolute illustration of what I mean by that—we made an application because of the last labor increase rates which took effect May 1, 1946, and we got the increase last month. In other words, what I want to point out is that we took this increase in tax, if we took it when it becomes effective in 1947, it would be January 1, 1949, before we could get action out of the Public Utilities Commission, because they require us to make a showing as to whether it was to the public interest to raise the rates. In the meantime, there is nothing to keep these fellows—they are going to have to pay this tax, and we don't know where they are going to get this money.

ASSEMBLYMAN BOYD: Assuming you receive the increase in rate structure, do you think there would be public resistance to paying that larger fee for hauling.

MR. THOMPSON: I don't quite understand.

ASSEMBLYMAN BOYD: Well, the people with whom these people do business would be forced to pay the higher rate, and I'm trying to discover where the point of resistance would be in the increase.

MR. THOMPSON: Well, we have never been into a hearing before the Public Utilities Commission but what chambers of commerce and others appear in opposition to an increase in rates.

ASSEMBLYMAN BOYD: It wouldn't necessarily increase the hauling load or transfer to competitors this 10 percent increase in rates.

MR. THOMPSON: Oh, yes, it would.

ASSEMBLYMAN BOYD: One other question. As I recall the original Collier bills there was the one that provided for a three-cent increase in gas tax and the new ton-mileage tax. Now, when that was combined into Senate Bill No. 5, the gasoline tax increase is reduced to two cents, but the ton-mileage tax remained the same until there was an amendment which shifted it from 14,000 to 16,000 pounds, is that right?

MR. THOMPSON: Well, they started out with 12,000 pounds and they jumped it to 14,000 and then to 16,000 pounds declared gross weights in the hopes they were going to relieve certain farm interests from having to pay the mileage tax and to put them on the basis of a weight fee. That is the only change.

ASSEMBLYMAN BOYD: Now, you have estimated that the bill in its present form would produce approximately $31,000,000 from the ton-mileage tax, and we have other estimates that are around $22,000,000. Now, let's assume that we find an average in between of about $25,000,000 and that we could reasonably recognize that we have reduced one portion of the bill as far as revenues are concerned from three cents to two cents increase in gas tax, which now appears as five-sixths of the original amount, so that establishes the same balance that was originally conceived perhaps the ton-mileage tax should yield only in the neighborhood of eighteen to twenty million dollars a year. Now, you say under present conditions the trucks pay about $14,000,000 a year. That is right, isn't it?

MR. THOMPSON: Well, you mean in weight?

ASSEMBLYMAN BOYD: No, I'm talking about the 3 percent tax and the weight fees. They now contribute about $14,000,000 a year to the State in taxation.

MR. THOMPSON: That is right on that one tax, those two taxes.

ASSEMBLYMAN BOYD: The point I'm trying to make, I'm wondering if the trucking industry is really about $6,000,000 a year apart from the amount now set up in Senate Bill No. 5 and if that is true, if there is any possibility that the trucking industry could submit a proposal whereby somewhere near that figure could be realized and eliminate the objectionable features of the ton-mileage tax and thereby arrive at a proper proportion of their share of the cost of constructing the highways.

MR. THOMPSON: Mr. Boyd, let me say this in the first instance. At the present time based upon the present tax on fuel and the registration and weight fees, using those factors alone, we are paying $32,311,000, or will pay next year.

ASSEMBLYMAN BOYD: Are you including the in-lieu tax?

MR. THOMPSON: No, sir, just fuel tax, which is diesel and gasoline, the registration and weight fees. It is $32,311,000 now. The proposed increase at the present time in Senate Bill No. 5 will mean we will pay $77,679,500.

ASSEMBLYMAN BOYD: Let me ask it this way. Are you willing to pay an increase approximately of $6,000,000 a year over your present contribution to state highway construction in taxes?

MR. THOMPSON: Of course, you have got to answer it in two ways. First, if you are going to increase the fuel tax, you have got to have it together. If you are going in for increase in fuel tax, I indicated we will take the same increase, percentage increase in these taxes as I have mentioned.

ASSEMBLYMAN BOYD: And a proportionate increase in the weight fees?

MR. THOMPSON: And a proportionate increase in weight fees and registration fees.

ASSEMBLYMAN BOYD. Have you an estimate on what that would produce?

MR. THOMPSON: Well, I don't know what you are talking about in the first place.

ASSEMBLYMAN BOYD: Assuming that we leave the fuel tax so that it was increased the same amount as the gasoline tax, then would there be available with the approval of the trucking industry an amount sufficient to produce $6,000,000 more revenue annually? I realize you are without study and you couldn't answer that, and I hope—the point is one that there might be a possibility of arriving at some conclusion of bringing in a fair portion of revenue easily collected, which would be acceptable to the trucking industry and to add that it is my hope that such a satisfactory agreement could be achieved.

MR. THOMPSON: Mr. Boyd, if it is determined, and that is what I say, if it is determined by this Legislature that they need X number of dollars of new money for highway purposes, at that time that you determine that amount of money and give us just one day, and we will have a tax bill here that will take care of our share.

ASSEMBLYMAN BOYD: Thank you.

CHAIRMAN HOLLIBAUGH: Thank you very much, Mr. Thompson.

ASSEMBLYMAN BECK: I would just like to ask one question. He brought up in his discussion with Mr. Boyd relative to the time for hearing before the Public Utilities Commission. Now, I have here in my hand a report of the Public Utilities Commission dated February 4, 1947. This is based on a petition of for-hire operators on the increased rate. Reading that report on page three It says that on June 10 last year there was a hearing and an increase was given for-hire operators under Tariff No. 2 of 12 percent. At that time the operators were not satisfied so they petitioned for another hearing and that was granted and the decision rendered on September 24th That is within a few months of the prior hearing. After that time, September 24th, when their petition was denied

they again petitioned on the ground that there had been an increase since that date, and a hearing was given by the commission on December 19, 1946. That is within about 10 weeks and a report has been rendered as of February 4th, six weeks from the date of the hearing, at which time the carriers were given an increase of 12 percent, in some cases 3 percent, and in two others 8 percent and so on. Now, in view of the fact that apparently the Public Utilities Commission has given ready hearings, why do you assume it would probably be a year or at least a great length of time before they would give you a hearing on a possible increase of rates as a result of taxation which may be easier to compute than establishing the material you would have to establish for a rate increase on the ordinary hearing?

MR. THOMPSON: In the first place, the rate increase that was granted June 10, 1946, was a result of increased cost at prior hearings prior to the time they took the last labor increase, the contract for which was closed on July 1st, retroactive to May 1st, 1946. And this case where the 12 percent was granted was a result of increases in wages and other costs prior to the last increase in wages of drivers and helpers which, as I say, was granted—I mean the contract was actually closed in July 1st, 1946, retroactive to May, 1946.

ASSEMBLYMAN BECK: When did you petition for that last increase? I want to get an idea of time here. You petitioned some time after September 24th and the hearing was granted on December 10th or some time in December.

MR. THOMPSON: Well, they had a hearing—but what I want to get first, this 12 percent was a result of the hearings that had been going on for some time prior to the time that we gave an increase in wages which was covering increases that were granted for drivers prior to the last contract. This case, 4808 is a continuing case. I mean it's been going on for a long period of time and they enter decisions in connection with it, so when they got the last increase in wages they went back again at the commission and we had developed a lot more facts, so as a result, in the first place we asked for 20 percent, and we got 12.

ASSEMBLYMAN BECK: That isn't the point. How much time after September 24th did you file your petition to the time of the hearing? In other words, it was within three months.

MR. THOMPSON: We asked for a rehearing when they denied the application on September 24th. We immediately asked for a rehearing, and were granted a rehearing in December.

ASSEMBLYMAN BECK: Oh, that then was on a rehearing instead of a new petition?

MR. THOMPSON: That is right.

ASSEMBLYMAN BECK: Well, it doesn't state that in the report here.

MR. THOMPSON: That is what it was, though. The commission concluded that such evidence was insufficient to justify another rate increase under the circumstances. In September they denied the increase and we

immediately petitioned for a rehearing and you do that within 10 days of the decision.

ASSEMBLYMAN BECK: Did your petition date back only from September 24th? I mean you didn't go beyond that to show any increase in expenses of operators?

MR. THOMPSON: We went back to the date of the evidence that was introduced at the prior hearing.

ASSEMBLYMAN BECK: I didn't get that from reading the report.

MR. THOMPSON: I mean the evidence that was introduced in December was a continuation of the evidence that was introduced at a subsequent hearing.

CHAIRMAN HOLLIBAUGH: Mr. Kirkwood.

ASSEMBLYMAN KIRKWOOD: Just a couple more questions. As I understand, the 3 percent gross receipts tax goes over the same time that the ton-mile tax would go on, doesn't it?

MR. THOMPSON: That is right.

ASSEMBLYMAN KIRKWOOD: So that the carrier, some of the carriers, the ones that do have to have this adjustment in the rates would have an $8,000,000 decrease in one tax and they would certainly not be the ones to take the full $31,000,000 increase on the other side of the picture, would they, because that also includes your private carriers?

MR. THOMPSON: No, the $31,000,000 as well as the $8,692,000 registration and weight fees is an all inclusive figure, all classes of commercial vehicles.

ASSEMBLYMAN KIRKWOOD: Yes. So that there is a factor there that balances, that your increase isn't as terrific a jump as might at first glance appear.

MR. THOMPSON: Of course, those figures I gave you in connection with individual carriers, the ones I gave you as a comparison of certain equipment, include the elimination of the 3 percent tax.

ASSEMBLYMAN KIRKWOOD: Yes, that is right.

MR. THOMPSON: I mean those figures that I gave of say the carrier who pays $57,000 and will have to pay $123,000, that took into consideration the elimination of the 3 percent tax. That was after you give full credit to the repeal of that 3 percent tax.

ASSEMBLYMAN KIRKWOOD: One thing that interests me in this whole question on truck taxation is the fact that while you paint a pretty gloomy picture on the thing, unless these figures are incorrect, in 1940 there were 197,000, approximately 198,000 trucks registered and in 1946 there were 296,000. Now, that is an increase of 50 percent during a time when it was tremendously difficult to get new equipment and when people were thinking twice about going into new endeavors and ordinarily a person doesn't go into one that has the risks and the burden that you have indicated that the truck industry has.

MR. THOMPSON: What was that date, that first date you had?

ASSEMBLYMAN KIRKWOOD: 1940. There were approximately 198,000. In 1946 there were 296,000 trucks registered. Now, that is hired trucks, and I assume they are the ones that are subject to the $8 and up scale.

MR. THOMPSON: Well, two or three things happened during that period. In the first place, we got trucks where you couldn't get automobiles. I say "we." I mean the industry. Private carriers and for-hire and farmers were able to get trucks because they had to have them to take care of the war industry. Trucks were used and we were not cut down on trucks during the war. As a matter of fact the amount of business, both in volume and money, increased during the war and we were able to get trucks. We were able to have practically all the fuel that was necessary and all the tires that were practically necessary even though you had to watch them pretty close. Immediately following the war there was a lot of army equipment released that was bought by farmers and other people who had been unable to get the equipment they wanted, so there's been an increase since you had the availability of the equipment. During the war period it was just a question that you had to meet the demand that was forced on them so they bought a lot of new equipment during that period.

CHAIRMAN HOLLIBAUGH: Thank you, Mr. Thompson. Mr. Vandegrift, I'm sorry to keep you waiting so long. I guess it isn't necessary to introduce Mr. Vandegrift to this committee. Mr. Vandegrift is the Legislative Auditor.

MR. VANDEGRIFT: Mr. Chairman, members of the committee, I came here at the request of the committee. I have no highway plan. I have nothing to advocate. I merely come as an employee of the Legislature to answer such questions as you may have, but I do welcome the opportunity of making a statement concerning certain statements that have been made questioning figures which I gave in answer to specific questions to Senator Tenney and Senator Rich. So I would like to make a statement explaining the figures of the staff.

The questions asked me you will find in the journal of the Senate, and you will find the answers there. Subsequent to that time, in reply to questions asked by your Assemblyman Dills to the Collier committee, they took occasion in answering those questions to add a considerable amount of extraneous material. That extraneous material was to make a charge that there were misleading and erroneous figures published in the Journal in relation to highway cost and revenue. They used the two words.

They did not give detail, but they stated that our figures were in error in some $87,000,000. The questions asked me were concerned solely with that part of the highway development plan which took in the first four years beginning with 1945. They did not take in the matter of the highway plan now contained, if there is one, in Senate Bill No. 5.

Taking the figures from their own reports as to the cost of this plan and the figures found on page 37 of the Lindman Report and analyzing those figures, we stated that that plan to be carried into effect in four years, could be carried into effect in four years and we would have a surplus in the various funds concerned, which took in the State, the counties, and the cities, of approximately $45,000,000. We see no reason to recede from that estimate.

On the other hand we have now submitted after we have analyzed the figures published from the above referred to table and we now find that correcting the errors they have made in their report—some of them I'll point out to you, and the others are hardly worth pointing out—we find that you could put that plan into effect and have left the free balance of $9,000,000, taking their own figures.

And if you will turn to this report on page 36 under county road funds, you will find the following very silly reasoning. The actual accumulation of county road fund balances as of June 30, 1945, was approximately $18,000,000 as compared with the ending balance of $7,222,000, June 30, 1941. Since there is an apparent tendency on the part of county road fund balances to stabilize in normal times somewhere between $6,000,000 and $7,000,000, the surplus reflects the estimated development of construction and replacement on county roads as a result of the war. The June 30, 1945 balance of $18,519,000 less $6,777,000, the average ending balance for the Fiscal Years June 30, 1937, to June 30, 1942, leaves a probable surplus over normal balances of $11,742,000. This figure is assumed to be available for expenditures during the four-year period 1946 to 1949. With that kind of what I call silly reasoning, you cast out the small sum of $6,777,000. So, we didn't do that. We maintain if you have a balance available in any fund, it is there to spend. It isn't there to disregard.

Taking the various items to carry that fund into effect, we find that you would actually have there, taking from the Kennedy Report and taking from the Lindman Report referred to above, you would have a surplus of $821,000. You would have a deficit of $3,130,000, that you would have in the street and highway funds a surplus of $12,896,000. Making your adjustment, adding your $821,000 to the $12,896,000, you would have there a little over $13,700,000. Subtracting that, subtracting from that the deficit item in the county roads, you would have $3,130,000 to deduct from $13,000,000 in round numbers, and it gives you a little over $9,000,000, or almost a $10,000,000 surplus.

Those figures are taken from their own records. I know of no better place to disprove one's figures than to take them from their own records.

Now, the matter of transfer of balances, their expression on that is indicative of a complete ignorance of the accounting system of the State of California and the ability to transfer funds. Funds are transferred on various specified dates, and if you will read any report from the Controller's office on funds, you will find that they vary from month to month very greatly.

We are assuming in our report that the funds that are available, the funds that are available as taxes collected from these several sources can be budgeted, and we also are assuming that obligations can be drawn against them. If not, then the entire expenditure program carried on now by the Division of Highways is illegal and impossible because that is exactly what they are doing now.

I have here likewise a complete statement taken from the books of the Division of Highways, and that record itself is so far in error, or so far different—I'll not say "error"—is so far different from the various figures that we have had, that it seems to me it is time that we had established some procedure whereby the Legislature could look at a set of figures without having to question, without having to go through all this strenuous effort to determine whether or not they were credible and reliable.

Now, this tabulation shows—I want to tell you so you will know and understand how it is classified—it gives the budget classification of the department. Then the budget is adjusted according to receipts, then they add a column of work orders and then a balance after you subtract those work orders, and then they have expenditures from work orders. That is what they actually spend, and then finally, we get another balance, the unexpended balance of work orders, and then from that they finally arrive at the unexpended budget balance. This one I had taken is of the last day of December, 1946, but on January 22, 1947, subsequent to the time that I answered questions, or subsequent to the information which I had answering questions put to me on this subject published in the Journal of the Senate, the Highway Commission of the State of California met and on that day they distributed $3,351,000 more money, so I got that distribution, and I have added it in to see where we would stand, because that distribution takes in the budget period, and I have two columns of distribution from that, finally getting the last column of the actual status, and on that date unexpended funds accountable for on the books of the State of California for the Division of Highways for all purposes, amounted to $119,450,396.10.

Awhile ago a figure was quoted here from the Governor's Budget page 869, the budget for this fiscal year coming, in which it was stated how much the expenditure item was and that figure is in error in the budget by the sum of this adjustment. That figure in my opinion will be in error again by the close of this month by another adjustment that is required. Why? Because highway revenues are accumulating at a greater rate than was estimated in the budget. There will be other adjustments.

The figures that are in the Lindman Report are in error in that sum. They likewise questioned the matter of our estimate on gasoline revenues, so we have taken some figures to find out what these might look like, and I say to you that the consumption based upon the last average at the rate of 699 gallons per car per year, is in excess of the figures used. That is in excess of the figures we have used in our estimates. It probably is in excess of what should be used for a safe estimate.

Now, in discussing funds available to the Highway Division, we have heard the term used, "allocated," "budgeted," "committed," and many other such terms, all of them having a shade of meaning known only to the mind of the man using them, and I find in this position that

these persons are very much like what Disraeli, that famous Prime Minister, who said to the opposition one day, "Unless you define your subject, neither yourselves nor your audience will know what you are talking about."

And to show you what happens, I had another little document prepared here from the records of the Division of Highways. You know if you continue to use records of that sort long enough, sometimes they get ashamed of them.

This is changes in contingencies. It is a new one. You haven't heard that. Changes in contingency reserve of July 1, 1945 to January 22, 1947. That is the latest date or the last date when the Highway Commission met, and down here I have taken off one little column. There are lots of figures. You can get many of them, but there is one little column that is worth your notice.

This one is "Transfers from Projects Previously Voted." That is where you use the term "committed," "allocated," "budgeted," and "assigned." The first time they took from the primary group in Northern California and juggled $8.274,758.40. And then they took and juggled around in the southern allocation, $10,245.454.17. And then the next one was the secondary north, $4,781.000, and I have the cents on that, too. The next was $7,904,000.

Let me give you the dates again, from July 1, 1945, to January 22, 1947, the transfers from projects previously voted amounted to a total of $31,206,392.08.

Now, I submit, how can you ever get a reliable figure that will stand up long enough for you to vote on it if that goes on.

I have a lot of other things here. I have some charts which I'm going to have passed around to show you what is happening. Here is a chart showing the method of distribution of highway user revenue under existing law. Here it is under Senate Bill No. 5 as it was at the beginning of the recess. We will send them around. It took me four days to figure this one out. Since I'm not going to make remarks about this chart, it speaks for itself, I'll proceed with the other items, which I think I should present in order to explain the criticism of my figures.

Just one other matter, I doubt if anyone can find in Senate Bill No. 5 a highway plan. I have been unable to find one. If you did have one there and it was turned over to the Highway Commission as it now exists, you would not have one after they met and acted, or if you did have, the power of change and allocation is so great that had you had a plan written at the beginning and you compared it at the end, it would be greatly different. And there is probably good reason for having considerable leeway.

But since you do have, rather do not have a definite plan, but you have an over-all program for 10 years, it is impossible to calculate specifically the amount of money required. It is impossible for the reason that none of us can tell what the cost of highways will be 10 years from now.

At the present time, highways, according to the Kennedy Report, page 112 shows an index cost of 174. In that report they state that within a few months, it will drop to 124, or 50 points. If that is so, then you will get more miles of highway, and that is what we are talking about really, for the money than is contemplated.

Now, there has been the statement made that if we have a drop in cost there will be a drop in revenue, but I'll take an authority which apparently is taken when they wish to take it and not taken generally at other times. And that is no less authority than the Governor of the State of California and his financial experts, and if you will turn to the revenue estimate on page 85, you will find this particular statement. It is short. I'll read it to you. "Special fund receipts which relate primarily to motor vehicle ownership or operation are probably less vulnerable to economic reversal than are those of the General Fund. This is particularly true at present while motor vehicle operation is emerging from the curtail level of the war period." I believe that to be a sound statement. If it is not sound, the revenue estimates in this budget are excessive.

At the last budget hearing prior to this biennium, the Highway Department estimated their revenues at some $17,000,000 lower than my estimate, some $12,000,000 lower than the Department of Finance, and my estimates were the highest by $5,000,000, and they were exceeded.

The per car collection has exceeded my estimates or any estimates that we have ever made. On the other hand, on the truck tax if you will look in the budget, you will find that there is shown a decline. I think that is a safe estimate, that there may be a decline in that revenue. Otherwise highway revenues will undoubtedly show a continuous increase paralleling the increase in registration and accelerated somewhat by increased mileage, and decreased slightly by a greater operation efficiency of motor vehicles, and those are the principles on which I have estimated my revenue, and I think that estimate is conservative.

I doubt if anyone has ever charged me with overestimating revenue. I did it just once, in 1931. We had a deficit as a result. I have never tried it again.

Now, Mr. Chairman, that makes a complete statement of everything I have to say concerning the charges that were made, that I had made an error with one exception—one statement was made that if you had a surplus at the beginning of a fund, you had to have a surplus at the end. In other words, if I had $1,000 in the bank, if I had, and I had $500 a month coming in for four months, that I couldn't spend the surplus at the beginning and the $2,000 coming in, making a total of $3,000. I could only spend what I earned and must leave a balance in the bank. To me that is specious reasoning.

If there are any questions, Mr. Chairman, that I can assist in answering, I'll be very happy to do so.

DIVISION OF HIGHWAYS—ANALYSIS OF CHANGES IN CONTINGENCY RESERVES—JULY 1, 1945, TO JANUARY 22, 1947

	Primary North	Primary South	Secondary North	Secondary South	Total
GENERAL CONTINGENCY RESERVES					
Balances July 1, 1945 from Ninety-fifth and Ninety-sixth Fiscal Years Budget	$2,447,169 25	$570,795 74	$2,157,872 69	$4,079,318 17	$9,255,155 85
Additions					
Ninety-seventh and Ninety-eighth Fiscal Years Budget	27,386,361 77	25,946,184 52	10,121,538 46	8,201,840 81	71,655,925 56
Additional revenues—Ninety-fifth and Ninety-sixth Fiscal Years	510,855 97	456,185 86	161,173 64	161,173 64	1,289,389 11
Reversions	204,693 87	108,008 14	65,618 99	59,115 00	437,436 00
Transfers from projects previously voted*	8,274,753 40	10,245,454 17	4,781,585 53	7,904,593 98	31,206,392 08
Return of funds temporarily transferred pending budget	1,415,572 10	729,353 00	876,349 80	383,592 50	3,404,867 40
	$40,239,411 36	$38,055,981 43	$18,164,139 17	$20,789,634 10	$117,249,166 06
Deductions					
Transfers to Projects*	$40,089,279 81	$37,867,004 81	$18,024,501 51	$20,659,966 75	$116,640,752 88
Differences arising in analysis of detail	1,120 85	2 90			1,123 75
	$40,090,400 66	$37,867,007 71	$18,024,501 51	$20,659,966 75	$116,641,876 63
Balances—January 22, 1947	$149,010 70	$188,973 72	$139,637 66	$129,667 35	$607,289 43

* Projects includes budget items other than construction projects such as Construction engineering, right of way and buildings and plants

NOTE An additional reserve for contingencies is maintained by the Division of Highways- Bridge Reconstruction Reserves Amounts included in this account are for the special purpose indicated by its name and the amounts are not significant in comparison with the total state highway budget For these reasons no analysis thereof is presented here

EXHIBIT I

DIVISION OF HIGHWAYS—STATUS OF BUDGET, DECEMBER 31, 1946

Budget classification	Adjusted budget and contributions	Work orders	Balance available for future work orders	Expenditures from work orders	Unexpended balance of work orders	Total unexpended budget 12/31/46	Adjustments of budget by Highway Commission vote January 22, 1947		Unexpended budget 12/31/46 giving effect to adjustments of 1/22/47
							Increases	Decreases	
Preliminary surveys and plans	$4,220,584 86	$3,827,590 77	$392,994 09	$3,041,044 14	$786,546 63	$1,179,540 72	$300,000 00		$1,479,540 72
Right of Way	12,324,606 97	12,590,740 12	—266,133 15	9,314,854 28	3,275,885 84	3,009,752 69	2,000,000 00		5,009,752 09
Construction engineering	7,123,676 06	4,851,224 40	2,272,451 66	2,860,322 01	1,990,902 39	4,263,354 05		$1,300,000 00	2,963,354 05
Construction projects	91,066,359 94	64,208,174 75	26,858,185 19	29,619,351 24	34,588,823 51	61,447,008 70	6,110,600 73		67,557,609 43
Bridge reconstruction	7,508,717 78	4,641,204 97	2,867,512 81	2,110,656 60	2,530,548 37	5,398,061 18	106,289 23		5,504,350 41
Cities ¼ State Highways	20,955,290 83	8,808,912 01	12,146,378 82	5,425,077 56	3,383,834 45	15,530,213 27	325,000 00		15,855,213 27
Contingency Reserves	5,571,807 46		5,571,807 46			5,571,807 46		4,964,518 03	607,289 43
Bridge reconstruction reserves	145,068 69		145,068 69			145,068 69		106,289 23	38,779 46
Joint Highway District—Section No	319,898 86	150,000 00	169,898 86	150,000 00		169,898 86			169,898 86
Total segregated	$149,236,011 45	$99,077,847 02	$50,158,164 43	$52,521,305 83	$46,556,541 19	$96,714,705 62	$8,841,889 96	$6,370,807 26	$99,185,788 32
General maintenance	$12,101,937 79	$11,844,439 97	$257,497 82	$8,529,612 06	$3,314,827 91	$3,572,325 73	$275,000 00		$3,847,325 73
Cities ¼ city streets	14,313,368 13	7,723,833 49	6,589,534 64	7,374,791 68	349,041 81	6,938,576 45	325,000 00		7,263,576 45
Major slides	2,959,229 77	2,422,970 14	536,259 63	2,036,474 01	386,496 13	922,755 76			922,755 76
Specific maintenance (replacement and improved service project)	7,705,536 24	7,225,002 89	480,533 35	6,624,376 42	600,626 47	1,081,159 82	725,000 00		1,806,159 82
Building and plants	2,000,242 03	1,521,146 21	479,095 82	570,802 98	950,343 23	1,429,439 05			1,429,439 05
New equipment (including replacement)	4,726,856 31	4,726,856 31		1,518,348 90	3,208,507 41	3,208,507 41			3,208,507 41
Administration	4,857,774 82	4,857,427 77	347 05	3,724,124 76	1,133,303 01	1,133,650 06			1,133,650 06
Special investigations	447,689 32	—14,003 07	461,692 39	318,241 92	(332,244 99)	129,447 40	25,000 00		154,447 40
Planning survey	1,061,492 36	552,075 53	509,416 83	278,447 50	273,628 03	783,044 86		300,000 00	483,044 86
County post war projects	174,280 41	174,120 32	160 09	158,579 17	15,541 15	15,701 24			15,701 24
Total unsegregated	$50,348,407 18	$41,033,869 56	$9,314,537 62	$31,133,799 40	$9,900,070 16	$19,214,607 78	$1,350,000 00	$300,000 00	$20,264,607 78
Total state highway budget	$199,584,418 63	$140,111,716 58	$59,472,702 05	$83,655,105 23	$56,456,611 35	$115,929,313 40	$10,191,889 96	$6,670,807 26	$119,450,396 10

EXTRAORDINARY BUDGETS									
County highway budget	$27,513,580 61	$3,486,802 31	$24,026,778 30	$1,266,373 07	$2,220,429 24	$26,247,207 54			$26,247,207 54
Access highway budget	33,387,973 91	34,870,024 12	- 1,482,050 21	30,847,196 97	4,022,827 15	2,540,776 94			2,540,776 94
Flight strip budget	2,303,373 12	2,264,268 90	39,104 22	2,246,378 89	17,890 01	56,994 23			56,994 23
Federal aid feeder budget	2,239 00	—11,280 94	13,519 94	—4,520 97	—6,759 97	6,759 97			6,759 97
Grade separations budget	1,914,604 16	133,429 64	1,781,174 52	104,235 17	29,194 47	1,810,368 99			1,810,368 99
Total extraordinary budget	$65,121,770 80	$40,743,244 03	$24,378,526 77	$34,459,663 13	$6,283,580 90	$30,662,107 67			$30,662,107 67
Totals all budgets	$264,706,189 43	$180,854,960 61	$83,851,228 82	$118,114,768 36	$62,740,192 25	$146,591,421 07	$10,191,889 96	$6,670,807 26	$150,112,503 77
Adjustment of revenue estimates per vote of Highway Commission January 22, '47								3,521,082 70	
							$10,191,889 96	$10,191,889 96	

CHAIRMAN HOLLIBAUGH: Do you want to ask a question, Mr. Robertson?

ASSEMBLYMAN ROBERTSON: I have been trying to find out from all these officials and everyone else one fact, and I've been unable to find it out. Can you tell me of the accumulation of highway revenues during the war and to the date which the department always says they are allocated, now as of June 30th, of this year, how much actually is there in cash and under commitment.

Now, Mr. Purcell said that $80,000,000 had been committed. The Chairman of the Board of the Highways said that $100,000,000 had been committed. Neither one of them could tell me how much was left. I would like to get a total figure of the entire surplus that we had to spend after the war and is being spent or has been spent.

MR. VANDEGRIFT: Mr. Robertson, I can only answer a part of that question because I've been unable to read the mind of the man that used that word "committed." If you will have him to define that word so it will stick for five minutes maybe I could tell you On page 713 of the Budget, if you will look at the page for the current biennium, you will find the government set up a reserve of $40,000,000 to be expended after the war.

That supposedly would be spent in making up for what we didn't do during the war. You will find it budgeted there, but you will find it had no particular control, and it was not spent in accordance with any plan.

Now, they will say that there is committed—they had cash on January 1, 1947, in round numbers, $50,000,000 that they would have to commit, let contract, or otherwise commit by writing a commitment order or some other formal way. They had that sum of money, $50,000,000 in round numbers.

ASSEMBLYMAN ROBERTSON: I thought you said it was $119,000,000 on January 27th.

MR. VANDEGRIFT: They had $119,000,000 in cash.

ASSEMBLYMAN ROBERTSON: One hundred nineteen million dollars, and then you had fifty and one hundred nineteen million, and when you add them you get one hundred sixty-nine, is that approximately the amount they had to spend?

MR. VANDEGRIFT: No, sir, the fifty million is included in the one hundred nineteen.

ASSEMBLYMAN ROBERTSON: How much is spent or will be spent up to June 30th on these highways?

MR. VANDEGRIFT: Again I can't answer that, and I doubt if anyone else can.

ASSEMBLYMAN ROBERTSON: It seems to me to be the simplest question anyone could ask

MR. VANDEGRIFT: It is a simple question I do not keep the books, but I can explain how you can get an answer. If the books were kept in this fashion—if you showed the same thing that the contractor has, only you had for each contract an expenditure or obligation ledger in which you would have there a flow of your absolute obligations and if you had along with that the flow of your revenue, the difference between the two would show what you had yet to deal with or spend.

ASSEMBLYMAN ROBERTSON: Well, you say then that on December 31st, they had $50,000,000 yet to spend?

MR. VANDEGRIFT: They had $50,000,000 that was uncommitted, that had no obligation.

ASSEMBLYMAN ROBERTSON: Now, we are getting it. Up to December 31st, how much had been committed? That you can't answer?

MR. VANDEGRIFT: No, sir.

ASSEMBLYMAN ROBERTSON: And I can't, and $171,000,000 is the nearest guess I have made and I have used that once or twice. Do you think that is about right?

MR. VANDEGRIFT: I think that is as accurate as other figures I have heard.

ASSEMBLYMAN ROBERTSON: Do you think that is a good guess?

MR. VANDEGRIFT: Yes, I think it is a fair guess.

ASSEMBLYMAN ROBERTSON: Thank you.

CHAIRMAN HOLLIBAUGH: Mr. Geddes.

ASSEMBLYMAN GEDDES: Mr. Vandegrift, we have spent a good deal of time and we have heard a great number of witnesses and had a great number of estimates, and I'm sorry that perhaps you can't give us very definite answers either to what we are looking for, but I think we are entitled to them. I think you have suggested some ways in which we can get them. Several days ago I was questioning Mr. Baker who appeared before this committee, and the reply to a question of mine was, and this is on page 54 of the Assembly Journal of March 12th. "I might say that the commission was charged by the Legislature and by the Governor in preparing a postwar program. As you gentlemen remember, you voted an additional $12,000,000 to the Highway Commission in 1943 to be used for the purpose of acquiring rights of way and engineering to get a postwar program ready to go, to put in action when the war was over."

The question I have right now is where did that $12,000,000 come from?

MR. VANDEGRIFT: Out of the General Fund.

ASSEMBLYMAN GEDDES: It came out of the General Fund and was dedicated primarily to highway purposes?

MR. VANDEGRIFT: Dedicated completely to highway purposes.

ASSEMBLYMAN GEDDES: All right. And there is nothing very novel or unconstitutional in the idea of perhaps taking another sum of money from the General Fund and dedicating it to highway purposes, if that purpose can be shown to be connected with the public health and safety particularly?

MR VANDEGRIFT: Under the law it doesn't even need to be connected with public health and safety. This body has the power to appropriate the money from General Funds for any purpose of State Government.

ASSEMBLYMAN GEDDES: All right. So that answered question No. 1. I think it is very definite, too. Now, Mr Baker further said that the commission spent two years in preparing that postwar program. Then he said, "We felt it would take practically $100,000,000 and $15,000,000 or $20,000,000." I don't know what he meant by that. He goes on, "And we planned to build that program in practically three years after the expiration of the war. We had the program ready and in September after V-J Day, we started letting contracts, and as you know there have

been nearly $100,000,000 of these contracts let since that date." Now, that is $100,000,000 worth of those contracts since that date. If a contract was let, it probably had to be completed at the agreed price.

MR. VANDEGRIFT: It depends on the terms of the contract.

ASSEMBLYMAN GEDDES: That is right, but it is a fairly definite statement. Then we come down where he modifies that "With changes in cost we found that the program would cost us in the neighborhood of $150,000,000 or $160,000,000 We let contracts of approximately $100,000,000 of that postwar program. Some of these projects, and I repeat, some of these projects are definitely set up under this highway budget and you Members of the Legislature have been out in our own districts and seen these projects. That left approximately $60,000,000 unbudgeted, and the contracts let for the coming year's budget consisted of approximately $20,000,000 of that program and left $40,000,000 unbudgeted." Is there any way on earth that you can reconcile those figures and set it up so we would know even what he meant and how much money we have got to go on?

MR. VANDEGRIFT: There is no way from the present bookkeeping system to do it, because a contract has to be let, and the contract obligates a certain sum of money, but the division sets up first of all what they call a project, and they frequently hold in that project a larger sum than the contract calls for, nearly always 6 to 10 percent is held there for contingencies, and then in contracts they decide maybe they will do something different than what they started and then you find a supplementary contract for it and there may be from one to a dozen added to the original contract, and you find sometimes a project is started out with $500,000 and it gets to be well even as far as several times that.

If you will compare the two deficiency programs that you received, you will find the same piece of highway, two and a half miles of highway, identical in both, that in the first one they had a certain estimate, and the second one it is about 150 percent higher.

ASSEMBLYMAN ROBERTSON: Seven hundred percent higher.

MR. VANDEGRIFT: There are some 20 of them I added up and the price on the total of them is 250 percent, the second price is 250 percent of the first. That is 20 of them.

ASSEMBLYMAN GEDDES: Now, Mr. Vandegrift, reverting back to other items that this Legislature has been very much concerned with, and we have made, I think, certain commitments or put the money away in a rainy-day fund, particular for our hospitals and different institutions which are critically needed. It has been your recommendation and the recommendation of others that we do put away the money while we have it, but have we spent it?

MR. VANDEGRIFT: You are referring I think to the sum of $154,000,000?

ASSEMBLYMAN GEDDES: That is right.

MR. VANDEGRIFT: Practically none of that has been spent.

ASSEMBLYMAN GEDDES: So that is lying there and primarily the reason it hasn't been spent is because it is felt this isn't a good time to contract at the very highest prices, postwar prices, to spend that money because we would get less for the dollar.

MR. VANDEGRIFT: I can give you the figure on it. When that money was appropriated, the building index number was a composite number. It was somewhere around 300. The index number now is 500, and the University of California just called for bids on two buildings and the index number on one of them was a little in excess of 500. No, there were three. A little in excess of 500 on one, 600 on the second, and 800 on the third. The State can't afford to build at those prices. So, I think rightfully the Director of Finance and others that control this have advocated that they delay everything possible except those extreme emergencies. That, Mr. Geddes, is the status of that particular fund.

ASSEMBLYMAN GEDDES: Then those extreme emergencies are just the same when you go into war. If you've got to have them, you've got to get them regardless of what it costs.

MR. VANDEGRIFT: They are in the category of taking care of some of our poor unfortunates. They are safety items, such as fire doors at some of our state colleges, which have to be put in, pumps where the water is down. In that category they are approved and those are approved in the Governor's Budget.

ASSEMBLYMAN GEDDES: In your study of economics do you think we can confidently look to see an increase in the building index which has increased from 300 to around the 500 mark, that that will increase on the same curve in the next 10 years, which would amount to 1,000 or 1,200 percent?

MR. VANDEGRIFT: Well, my own view on that is that we have almost reached the top and recessions are on. They are on at the present moment, but I would refer you to a valuable document that cost the State of California a fair sum of money. It has very excellent pictures in it, and on page 112, you will find there a very interesting curve, which is the building index for highways. Now, the building index for highways is different than it is for ordinary construction. You must take that into account It has not gone up as high, but it has gone from a low point up to 174, and the experts of the Fact-Finding Committee on Highways, Streets, and Bridges has estimated that it will go down to 124 in a short period so contracts placed now, according to their own report, are at the highest peak we have had since the twenties.

After the last World War it went up to a high peak, and I believe that the economic trend will follow very closely, and will not go down as rapidly, I hope, but that there will be a period of deflation.

Now, we have had some erroneous statements here in talking about the deflated dollar. You will find—I mean the inflated dollar. You will find that statement in the Governor's Budget. The dollar is not inflated. The dollar is cheaper You get less for it. If we do not get more for the dollar pretty soon, then we are going to have some great difficulties and we will not get the miles of highways that's been estimated in the reports before you.

I think any reasonable person who looks at the situation will have to concur with that. That is the estimate in the Governor's Budget, that there will be a decline. At the present time the purchasing power of the people of the United States is at a figure of $174,000,000,000. That is hard to believe, but it seems to be true. Now, California enjoys about 8⅓ to 8½ percent of that, or around $14,000,000,000. Your revenue comes from business on that.

Now, the curve being high, we believe at a peak, will turn and go down from $174,000,000,000 Nation-wide, and $14,000,000,000 for California, until it gets to somewhere around, in my opinion, about $162,000,000,000 or $163,000,000,000.

Now, my belief is that that curve will pretty well measure the decline in price of commodities in general, and in highways in particular.

ASSEMBLYMAN GEDDES: Now, this may be a tough question, Mr. Vandegrift, but would you say that reasonably we may expect to be built out of the money committed, allocated, budgeted, set aside, or tied up in a contract—I'm not trying to use the term, but I want to get one that may be mutually understandable—that the Highway Division is also talking about, that we can look forward say with money presently available, and whether it is budgeted or not, and what is left, to the building of about how many million dollars worth of highways before that is used up?

MR. VANDEGRIFT: You mean what we now have free to * * *

ASSEMBLYMAN GEDDES: Yes, that is right. It is either tied up in a contract, waiting to be tied up in a contract, or lying in the bank subject to being voted on.

MR. VANDEGRIFT: Well, with your various terms, I would hate to hazard a guess. It would be in excess of $100,000,000, but I can't hazard a close enough guess to be worth while or to be worth very much.

ASSEMBLYMAN GEDDES: Well, we might say it is X dollars, and X dollars is $100,000,000 plus. That much highway is to be built. Then there is an estimate of so much new revenue to come in that is about $89,000,000.

MR. VANDEGRIFT: You mean in one year?

ASSEMBLYMAN GEDDES: Yes.

MR. VANDEGRIFT: I prefer to turn to the budget to give you that.

ASSEMBLYMAN GEDDES: Do you think that figure in the budget is valid?

MR. VANDEGRIFT: It is under somewhat.

ASSEMBLYMAN GEDDES: All right. We will take that at face value.

MR. VANDEGRIFT: You will find your budgeted revenues on a tabulation table, Schedule 20, page 84, and you will find further the expenditure program on the highway is set up beginning at page 869. Now, the total estimated proposed expenditure for highways, all purposes is $63,952,000. Now, that is maintenance, new construction, and other. If you will turn to page 870 of the budget, you will find down there revenues federal aid estimated for the coming year, $29,000,000, and the total of all state funds above, $63,999,316. If you want to add in or take from that what is called new construction, you will find that figure is in the sum of $22,000,000, round numbers. I don't remember exactly the page for that one, but it is $22,000,000.

ASSEMBLYMAN GEDDES: Then there would be added to that as it comes in whether we have over-estimated or under-estimated the amount of money derived from any gas tax which this Legislature votes?

MR. VANDEGRIFT: Well, these items I have given you, include the—oh yes, I beg your pardon, sir. There would be added to that those sums stated, any revenues which come in from the new taxes you might vote which you allocate for this purpose.

ASSEMBLYMAN GEDDES: Now, the department or division has told us that there are presently ready to go—I imagine the drafting and

everything is completed—$40,000,000 worth of construction that is practically ready to go immediately, or they could have ready to go in a very short time an additional $100,000,000 worth. Now, do you think that if we would add from the General Fund or otherwise up to that $100,000,000 that this would be a wise time to spend it if we limited that expenditure just to the real critical deficiencies, which are the highways of state-wide interest without trying to split it up on a sectional basis or between the cities and counties, that that would be wise, or should the whole program be deferred until construction costs come down?

MR. VANDEGRIFT: My own personal reaction is that there are some construction items that are certainly in the category of pressing needs. If it was my money, I would see that those needs were taken care of, and the rest of the program, I'd allocate on what I might call first things first.

ASSEMBLYMAN GEDDES: Then adding to that, you think, in your opinion, that a very strange departure or unwise departure for the Legislature to take into its own hands some elements of business procedure and set up a program to be reviewed year to year practically the same as is proposed in Senate Bill No. 5 to be required of cities and counties, that is, in asking for the money, when the program is prepared, where the money would be spent and for what, and how much, and at the end of the year, before asking for more money, require that a report of the past year would be made showing what balance, if any, is left, and a new program submitted. Is that good business?

MR. VANDEGRIFT: Mr. Geddes, you apparently have read all the terms of the bill I drew and submitted to the Budget Committee two years ago, and there is a similar bill in the Senate now that is along that line that would make those provisions. There is also no doubt something should be done to see that more is gotten for the money that is spent in certain localities. In an examination over a period of years, starting in about 1925, I examined the expenditure program of a great many highways under county administration, and those counties that had good business administration got more for their money. That didn't mean that all of them necessarily had a highway engineer. Solano County across the river got very good results under the management it had with no county engineer. Los Angeles, Butte, and so on, got more miles for the dollar than others.

Now, a member of the Collier committee asked me to make a study of the expenditures of money from the State that went to certain counties and cities. I found highway money spent for all sorts of things that could be called highways under the existing law. I recommend to you that you review that law.

I found money spent for decoration for the Shriner's Convention out of highway funds and many other things you could get in under the law. And just as a normal thing money goes into that particular treasury, and it is distributed to whatever they see fit, and all of that should be in the part of a business plan.

Now, you have set up where you distribute money out of the State Treasury, and you have first of all 58 little spigots that run out into counties You have one county where they have a few miles of highway outside of the city limits. They never would need any local money to take care of those local roads if they took all of the money that comes

from the State. There is not enough miles of highway in the county to use up that money.

You remember Lee Barber told about the waste of highway money in his own town. He said, "Why, we have every single alley in Pomona paved out of highway money." I never checked that statement. I took it at face value. Those are administrative problems. Now, going back to the matter of the budget, I think everyone is aware of the facts that I have been talking about, having the money to the Division of Highways budgeted.

I started and talked that in 1925 when I first examined state expenditures. I talked about it when I was Director of Finance. I tried it and got licked, and I've been advocating it ever since, because it seems to me unreasonable that the largest single expenditure made directly by the State, next to education, is not subjected to any budgetary control, and we say, "Why, we can't do it because there will be log rolling." Well, I just read to you the changes that were made in allocation by the Highway Commission.

I think I can show you where there have been some changes that had some political inference, at least. I don't know whether there would be more log rolling here than some other place, but I'm sure that at least you would know where the money was spent, and you would have a plan to start with.

If I remember correctly, it was back at the Battle of Runnymede when the Legislature first took over control, and it was here at Sacramento that a legislative body advocated a part of that policy. My suggestion is that you reassume a rightful power,

ASSEMBLYMAN GEDDES: That is all I have, Mr. Chairman. Thank you, Van.

CHAIRMAN HOLLIBAUGH: Ralph Dills.

ASSEMBLYMAN RALPH DILLS: I note from reading of the Collier Committee Report which apparently becomes the authorized version for the highway program, that it recommends in the majority report the following: "The committee believes it desirable to maintain a maximum of local responsibility and authority, but it also believes that the Legislature in appropriating state funds is charged with the duty of providing state supervision over the expenditure of these funds. Therefore, it is contemplated that the California Highway Commission be given a role of general supervision and responsibility for successfully carrying out the highway improvement program. Under these circumstances it is imperative that certain organizational defects in the existing system be corrected." In your analysis of Senate Bill No. 5 is there any connection, rather any correction of the organizational defects in the present existing system with respect to city and county funds derived from highway users for highway purposes?

MR. VANDEGRIFT: I can find no adequate provisions for that. Now, I say that advisedly because it depends on how far the control that is set up is exercised. It is not in full accord with the statement that you have read. It does not carry that into effect.

ASSEMBLYMAN RALPH DILLS: I note on page 11 of the majority report this statement: "The budget for administration of the Division of Highways should be included in the State Budget Bill. The commission

should also be required to report to the Legislature each year its proposed budget for maintenance and construction, together with a report to the Legislature on the fulfillment or its reasons for any changes in the budget of the previous year."

They make a distinction between the administration costs of the Division of Highways and maintenance and construction costs Do you see any reason for such a distinction?

MR. VANDEGRIFT: There should be a little more leeway allowed in the matter of expenditure for maintenance, and also when you come to building some project, you find that engineers are not infallible, but with proper leeways and proper controls, in my opinion, the entire matter should be included in the budget, and not only included in the budget, it should likewise have its place in the Budget Bill which is the only legal control.

ASSEMBLYMAN RALPH DILLS: Now, is there any—I have asked this question, and yet you have brought me back to it—is there any part of Senate Bill No. 5 which gives the State legal control over the expenditure of funds, subventive, for want of a better word, to cities and counties so that they might not, as you pointed out, buy street signs or paint lamp posts or letter streets or do some other things, do you feel that there is any sufficient control in Senate Bill No. 5 to do that, to prevent such occurrences?

MR. VANDEGRIFT: I'm sure there is not sufficient control in Senate Bill No. 5 to prevent almost any competent attorney from devising a method whereby the city, as a governmental unit, might not circumvent some of these provisions as has been done in relation to or through certain planning acts.

ASSEMBLYMAN RALPH DILLS: Well then, how may we get at it?

MR. VANDEGRIFT: I think that the Legislature can get at it by enacting a straightforward bill that spells out just what it wishes.

ASSEMBLYMAN RALPH DILLS: Would you endeavor to propose amendments, or would you have suggestions for amendments that we might enact a straightforward bill?

MR. VANDEGRIFT: I suggest that that is more the province of the Legislative Counsel. I would be very happy to give my suggestions to him, but he is a technician in that field, which I respect very much.

ASSEMBLYMAN RALPH DILLS: Yes, he is quite competent. Were you present when Mr. Thompson, representing certain groups of truck interests was on the stand and when I read a part of a letter from the Controller's office?

MR. VANDEGRIFT: I was here at that time, Mr. Dills.

ASSEMBLYMAN RALPH DILLS: Did you hear my reading of those portions?

MR. VANDEGRIFT: I heard the reading of the letter, and I believe I can tell you the substance of it.

ASSEMBLYMAN RALPH DILLS: Then, in order to have all the available information at all times for this Legislature, would you favor the adoption of what he calls an accrual system of accounting permitting the Controller to make his audit of the expenditures in advance of the time the obligation is incurred as compared with the practice necessitated by the present system of auditing the claim after the State has already been obligated by the creation of the encumbrance? Would such a type of

books enable us to find out at any specific or given time how much money there was to be spent for highways in this State?

MR. VANDEGRIFT: It would give you one part of it only. What the Controller proposes is to change the bookkeeping system of the State to an accrual basis, where you would have an accrual ledger and expenditures would be made direct and charged against each particular account. That would actually show the expenditures made and would show the obligations which were of record. It would give you to that extent a complete report, but you would need—in fact, may I say, Mr. Dills, what you need is a change in three ways to make this operate properly.

This may sound revolutionary, but eventually the plan would be to set up the county system and State on an accrual basis. It would take two years to install that system and to buy the necessary accounting machines. It will cost quite a little money. The next thing would be to have a revenue department that would accrue all of the revenues of the State in one place without having them scattered in many departments. The third then would require then to know whether the will of the Legislature had been carried out a complete revision of your auditing so that you would have the post audit, that that is done afterwards to see if what was started to be done actually is done, to see if the will of the Legislature is carried into effect, and that post auditing, in my opinion, should be in an independent body, and the head of that should be appointed, in my opinion, by the Legislature. You then would have a correct audit, and you wouldn't have administrative audits, where the Department of Finance goes over and audits the Department of Public Works, the head of both of them appointed by the Governor, and if you think there is going to be any adverse report there that gets out, particularly in a critical time, then I think you are viewing human nature differently from what I have found it in audits.

Those three things, Mr. Dills, would give you exactly what you are looking for and would give you the proper controls. One of them alone, Mr Kuchel suggests, would do a great deal, but it would not give you the entire results that I think you desire.

ASSEMBLYMAN RALPH DILLS: With respect, however, to our immediate problem, which has been thrust on us by virtue of the Governor's including it in the special session call, at least if we were to adopt some such measure as you mention Senator Rich had placed in the Senate, we can start on our way with respect to at least one division of the government.

MR. VANDEGRIFT: In the budget that will be before you, that is now being considered by your Ways and Means Committee of the regular session, you can write into the appropriation bill a complete budgetary control. You have that authority, and I have suggested in my analysis of the budget that that be done. You can require the reports, you can place such control and regulation thereon as you wish. It takes no more than the inclusion of a section admitted in the budget bill itself, and I have in my report a letter from your Legislative Counsel to that effect.

ASSEMBLYMAN RALPH DILLS: On the thirteenth of January in the Senate Journal, Senator Jack Tenney asked authority to place therein certain figures and they were placed in that Journal, which had to do with proposed highway expenditure compared with available highway revenues in the State of California. Did you prepare those figures?

MR. VANDEGRIFT: I did not. Well, I did not prepare the original figures. I prepared an answer to Senator Tenney, but let me explain the original figures came from a document which I have before me which was prepared by a highway finance committee of the State Chamber of Commerce. It had representatives of the State Chamber, taxpayers association, automobile clubs, and the various people who are supposed to have some knowledge of estimating revenues, and those original figures and the answer thereto came from that original source. There is one error in Senator Tenney's original figures on the date, which I corrected.

ASSEMBLYMAN RALPH DILLS: Well, do you have that Journal before you?

MR. VANDEGRIFT: I have not.

ASSEMBLYMAN RALPH DILLS: In the third column of those figures therein contained you will find that there is no balance with respect to a county or local property, any balance from local property taxation. Do you feel that that is proper, that there should be some estimates of revenue, or balance in the cities or counties?

MR. VANDEGRIFT: There possibly may be some balance there, but in order to make a conservative estimate of what the yield might be on local property that balance was disregarded. The balance would be there but would be distributed and in many instances very difficult to secure the actual amount.

ASSEMBLYMAN RALPH DILLS: Well, is it possible that certain counties might have today a balance in their local funds for highway purposes?

MR. VANDEGRIFT: That is right. They would have some.

ASSEMBLYMAN RALPH DILLS: Should that be a part of this whole highway program? Should we know how much balance there is for expenditure upon highway funds for highway purposes?

MR. VANDEGRIFT: In my opinion, when you start considering a highway plan, you should first start with the available sum of all balances. That should be the beginning.

ASSEMBLYMAN RALPH DILLS: Do you know whether or not the Collier committee in any of its reports, either in the Lindman Report or from subsequent work by Mr. Zettel, or anyone else, or the committee itself, have brought forth information with respect to any balances in funds from the 58 counties of this State?

MR. VANDEGRIFT: Well, one of the first items that I read, which I said was very questionable reasoning found on page 36 of the Lindman Report, there is a statement that they disregard a balance in the sum of $6,777,000.

ASSEMBLYMAN RALPH DILLS: Might it not be possible that there was a greater sum than the 6,000,000 that was being disregarded? That is to say, it might have been greater—there might have been a balance greater than that amount, and after all this report was made more than a year ago, wasn't it?

MR. VANDEGRIFT: Yes, there could be a greater balance because in order to determine exactly what it would be, it would require the examination of these funds and the right to transfer. You might have some other funds that could be transferred to this purpose. It is very difficult to determine accurately what that figure might be.

ASSEMBLYMAN RALPH DILLS: Would you think it appropriate that the chairman of this committee, or someone through his direction, request of the counties that they supply this Legislature with balances which might be on hand to date for highway purposes?

MR. VANDEGRIFT: I believe that those balances should be known, yes, sir.

ASSEMBLYMAN RALPH DILLS: Thank you very much, Mr. Vandegrift.

CHAIRMAN HOLLIBAUGH: Thanks a lot, Mr. Vandegrift. Could I ask you a question? This might seem kind of dumb. It probably is, but I'm not quite clear yet as to how the highway funds are appropriated.

MR. VANDEGRIFT: The highway funds are appropriated by continuing legislation. They go automatically and are available for expenditure. The procedure of transfer is already set up automatically, so when they accumulate they are transferred to the several highway funds and are available for expenditure by the Highway Commission on law already established. They fall in the category you call legislative fixed charges through continuing appropriation.

CHAIRMAN HOLLIBAUGH: Then, if we would increase these revenues as has been suggested through Senate Bill No. 5, after we pass the bill increasing them, we would have no more control over what happened to them?

MR. VANDEGRIFT: You would have no control over them automatically, but you can assume control over them at any moment you want by merely repealing what exists now or by taking control by setting them up specifically in the budget, and in the appropriation bill.

CHAIRMAN HOLLIBAUGH: I meant automatically they wouldn't be responsible to us?

MR. VANDEGRIFT: No, sir, if the bill is passed as is they fall into the same category as the fund now exists. And, Mr. Chairman, may I add one more item that would take from the General Fund, that procedure would take from the General Fund in the first year $7,500,000 of taxes that now go into the General Fund.

CHAIRMAN HOLLIBAUGH: What group of revenue is that?

MR. VANDEGRIFT: Just a minute, if you'll turn to page A-4 of your budget, you will find there in the first column a list of motor vehicle transportation license tax estimated for the next fiscal year, 1947-48, for the General Fund, $7,400,000.

CHAIRMAN HOLLIBAUGH: Pardon me, is that that 3 percent gross?

MR. VANDEGRIFT: Yes, sir. The next one below is motor vehicle license in-lieu tax, and that is estimated in the sum of $6,269,979. Those two will be transferred out from the General Fund for highway purposes, the latter to the counties.

CHAIRMAN HOLLIBAUGH: Thank you, Mr. Vandegrift.

ASSEMBLYMAN RALPH DILLS: I wanted to ask him one more question. You stated that there was some doubt in your mind as to whether or not there was a highway program in Senate Bill No. 5. Do you mean by that that the Highway Commission, after we were to vote the taxes involved therein might appropriate the money in whatever district or on whatever roads they might care to, and that such method of allocation does not show in the bill?

MR. VANDEGRIFT: They would have to allocate the funds as set up in the bill. They wouldn't have to expend any of them, if they didn't want to.

ASSEMBLYMAN RALPH DILLS: Yes, we found that out. We found some $40,000,000 of it in deficiencies which they have been holding over since 1944, so they would always have $40,000,000 in deficiencies to hold over. That seems to be a practice. Now, I notice in a report which the Director of Public Works, Mr. Purcell, who is the Chairman of the California Highway Commission, has given to the Legislature. We find that for the calendar year, July 1, 1943, to June 30, 1944, that the total amount of money spent for highways was $39,629,017.42. That is for all costs. The next fiscal year, 1944-45, it was $34,184,620.42. Then for the 1945-46 Fiscal Year there was $45,835,441.29.

Now, those were sums of thirty-nine, thirty-four, and forty-five million dollars, and yet I read in one of our leading papers, and it is based upon the Governor's Budget apparently, that there is a mere trickle of around $23,000,000 a year for highway purposes. Do you agree with that figure?

MR. VANDEGRIFT: No, there is $23,000,000 in federal funds alone.

ASSEMBLYMAN RALPH DILLS: Well, perhaps this is repetitious, but how much do you think from all sources the Highway Commission could have to spend for this fiscal year?

MR. VANDEGRIFT: Will you give me the date of the fiscal year, the coming one, or the current one?

ASSEMBLYMAN RALPH DILLS: Well, the coming one. We better consider that.

MR VANDEGRIFT: Sixty-three million dollars, and that will be supplemented by some carryover funds in an unknown amount to date. In addition to that, there has been some misconception in relation to federal funds. The figures stated in federal funds are those provided by the law, but the federal funds accrue on projects that have been approved by the Federal Government. Now, that means that if you are behind in respect to your federal money, as they are now, that you will get more if you provide for more to meet the requirements of the Federal Government. There is an accumulation there in federal funds that I can't estimate, but it will depend on how fast they complete their plans for the expenditure of money that is credited on the federal program.

ASSEMBLYMAN RALPH DILLS: Well, you mean to say if the Highway Commission did construct those roads in accordance with the plans that would be approved by the Federal Government, we could in fact, bring into California more dollars than we are now doing?

MR. VANDEGRIFT: You could bring in more dollars within the limits of the law, but it hasn't been brought in. They have completed expenditures of state money more rapidly than they have complied with the requirements to bring in federal money, and they have an accumulation of federal money available.

ASSEMBLYMAN RALPH DILLS: That is very interesting.

MR. VANDEGRIFT: You might direct some specific questions to that, Mr. Dills. You may get a lot of information.

ASSEMBLYMAN RALPH DILLS: If I knew enough about the subject, I certainly would, but right now I'm in a position where this possibility of securing federal funds is overwhelming me. Why we should spend

more and tax people of California more to raise state funds in order to spend state funds when we could, in fact, get more federal funds and are not doing it, has got me tied up in a knot, and could you sort of help untie me?

MR. VANDEGRIFT: Yes, I could help a little. We have an arrangement with the Federal Government for money for other purposes than what we would call our state highways, access roads and flight strips and whatnot, a very large sum. When the war ended, you recall rather suddenly, and we were not prepared to go ahead with the roads that would bring to the State the actual federal money under the laws that existed, the one of 1944, and so there is an accumulation. We will have to get these plans approved and the whole program approved by the federal authority and sometimes they move slowly, and it has happened that they haven't been able to bring in all of these federal funds and there is an accumulated fund there. I think the Highway Commission can tell you just what the amount is. Now, the law sets up a certain amount, and the estimates that have been used, I think, by everyone, and used in the budget here on the page I quoted to you are the sums that are available under the law, but unless these structures are all built and are approved, the sum of money will not accrue as the law provides. It will be held in abeyance, and that is the present status.

ASSEMBLYMAN RALPH DILLS: How specifically could California start—I started to say the Legislature, but I realize that the Legislature doesn't have very much to say about this problem. All we are supposed to do is vote taxes and go home. But how could the Highway Commission, which apparently is the one that does have the authority to determine what the program is going to be, how can that Highway Commission proceed in order to get additional federal funds for California and not place any additional tax burden upon our citizens?

MR. VANDEGRIFT: Well, the amount of money that can be secured, of course, is that amount that is provided by law. They can get it into California faster if they will direct their highway engineers to complete those roads first and let those contracts first that make it possible to meet the requirements and get this federal money in. It is just a matter of doing the work here in California that qualifies you to get the federal money.

ASSEMBLYMAN RALPH DILLS: I know this is a quickie because you haven't had an opportunity to perhaps analyze any of those projects, the 69 projects that the Governor stated were included in that $40,000,000 which they had already approved, but for which there was no money. Now, do you know if any of those 69 projects were such projects, that if they were constructed they would have brought to this State more federal moneys?

MR VANDEGRIFT: I haven't examined the projects, but it would be very difficult in my mind to have a list of 69 projects of the importance of these projects that would not have some of them fall within the requirements of the federal law.

ASSEMBLYMAN RALPH DILLS: Now, there were 33 of them that were approved in 1944, and they were then declared to be critical deficiencies, and I assumed that they must, at least some of them would come within that limit. I'm wondering why they didn't build them. You don't know why they don't do it?

ASSEMBLYMAN ROBERTSON: How much do you think they have underestimated in their report the amount that would be received from the gas tax?

MR. VANDEGRIFT: Well, the budget amount is clearly at the present moment demonstrated to be three and a half million low, and in my belief may be five or six million more than that.

ASSEMBLYMAN ROBERTSON: In other words, it might run as high as $8,000,000?

MR. VANDEGRIFT: Yes, sir.

ASSEMBLYMAN ROBERTSON: That would be over a period of 10 years?

MR. VANDEGRIFT: Yes, sir. It would accumulate in proportion to the mileage driven and the number of automobiles, and the number of trucks, diminished by the increasing efficiency of internal combustion.

ASSEMBLYMAN GEDDES: I would like to ask one final question. I'm not accusing you of anything, but do you know where that plastic map went?

MR. VANDEGRIFT: No, sir I haven't been up in Siskiyou County.

(A motion was made and seconded that the hearing adjourn.)

CHAIRMAN HOLLIBAUGH: We now stand adjourned. Mr. Vandegrift will be available next week if you care to question him further.

(Thereupon the hearing adjourned at 5.50 p.m.)

REPORTER'S CERTIFICATE

This is to certify that I, Alice Book, a stenotype reporter, was present at the time and place the foregoing proceedings were had and taken before Assemblyman Hollibaugh, Chairman of the Assembly Committee on Revenue and Taxation, in the Assembly Chamber of the State Capitol Building at Sacramento, California, on Friday, March 14, 1947, and that as such stenotype reporter did report the aforesaid proceedings on the stenotype machines, and afterwards caused the said stenotype notes to be reduced to longhand typewriting, and the foregoing proceedings beginning at the top of page 1 to and including line 23 of page 111 hereof constitutes a full, true, complete, and accurate transcription of the aforesaid proceedings.

Dated this seventeenth day of March, 1947.

GRAESER REPORTERS
By ALICE BOOK, Reporter

ANNOUNCEMENT OF COMMITTEE MEETINGS

It was announced that the following committee would hold a meeting:

At 2 p m., today, in the Assembly Chamber—

Revenue and Taxation.

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Mr. McCollister, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to A. S. (Al) Dingle of Stinson Beach.

On request of Mr. Gaffney and the San Francisco Delegation, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Mrs. Elizabeth Collins, Miss Ella Collins, Miss Mary M. Murphy, and Paul Barrett of San Francisco.

On request of Mr. Gannon, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Lieutenant Colonel Robert R. Little of Hamilton Field.

On request of Mr. Heisinger, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Fred L. Davis of Riverdale.

On request of Messrs. Dunn, Maloney, and Wollenberg, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Miss Kay Johnson and Miss Peggy Wassinle of San Francisco.

On request of Mr. McMillan, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Mr. and Mrs Kenith Fuller of Needles.

On request of Mr. Burns, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Art Loder and Arthur S. Gist of Arcata.

On request of Mr. Crichton, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Frank J. Oneto of Fresno.

ADJOURNMENT

At 11 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11 a.m., Tuesday, March 18, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

THIRTIETH LEGISLATIVE DAY
SIXTY-FIFTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Tuesday, March 18, 1947

The Assembly met at 11 a.m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—78

Quorum present.

PRAYER

Upon invitation of the Speaker, the following prayer was offered by Monsignor Thomas A. Kirby:

Let us pray: Bow down your heads before God. Preserve Thy people, O Lord, and mercifully cleanse them from all sin. For no harm shall injure them, if no iniquity exercises dominion over them. Through Christ Our Lord—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Lowrey, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. Dolwig, on motion of Mr. McCollister.

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following bill was introduced, and read the first time:

Assembly Bill No. 43: By Messrs. Sam L. Collins, Dickey, Doyle, Erwin, Geddes, Lowrey, and Stewart—An act to amend Sections 143, 148, 179, and 181 of the Vehicle Code, and to amend Section 7102 of, and add Section 6460 and 7053.5 to, the Revenue and Taxation Code, relating to the application of the sales and use taxes to motor vehicles and the disposition of proceeds therefrom.

Referred to Committee on Revenue and Taxation.

REQUEST FOR UNANIMOUS CONSENT THAT LETTER OF APPRECIATION BE SENT TO NATIONAL ORANGE SHOW

Mr. Allen asked for, and was granted, unanimous consent that the Chief Clerk be instructed to write a letter of appreciation, on behalf of Members of the Assembly, to the Manager of the National Orange Show, in San Bernardino County, for the gift of oranges received; and that verbal thanks be extended to Messrs Price and Hinckley for presenting the gift.

REPORTS OF STANDING COMMITTEES

Committee on Rules

ASSEMBLY CHAMBER, SACRAMENTO, March 18, 1947

MR. SPEAKER: Your Committee on Rules, to which was referred:

House Resolution No. 36

Has had the same under consideration, and reports the same back with the recommendation: Be adopted.

DICKEY, *Chairman*

Above reported resolution ordered on file for adoption.

REQUEST FOR UNANIMOUS CONSENT

Mr. Cramer asked for, and was granted, unanimous consent to take up House Resolution No. 36, at this time, without reference to file.

CONSIDERATION OF HOUSE RESOLUTION NO. 36

House Resolution No. 36

Relative to memorializing Congress to enact legislation authorizing the completion of the San Diego aqueduct with government funds

WHEREAS, The City of San Diego, which normally has a 10-year water supply on hand, now has only a nine months supply of such water, due to the tremendous diversion of water from its water supply in past months to the military and naval bases in the area; and

WHEREAS, In 1944 the United States Navy undertook to increase the water supply of the City of San Diego by the construction of an aqueduct running from the San Jacinto Reservoir to the San Vicente Reservoir but was forced to cancel the construction contracts at the end of the war due to slashes in the budget of the Navy Department; now, therefore, be it

Resolved by the Assembly of the State of California, That the Congress of the United States be memorialized and requested to pass legislation authorizing the completion of the San Diego Aqueduct Project with government funds; and be it further

Resolved, That the Chief Clerk of the Assembly is directed to transmit copies of this resolution to the President of the United States, to the President pro Tempore of the Senate of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.

Resolution read, and adopted unanimously.

NOTICE OF MOTION TO WITHDRAW ASSEMBLY BILL NO. 37 FROM COMMITTEE

Mr. Geddes gave notice that on the second legislative day he would move to withdraw Assembly Bill No. 37 from the Committee on Ways and Means, and have it placed upon the file.

REQUEST FOR UNANIMOUS CONSENT TO USE ASSEMBLY CHAMBER

Mr. Hollibaugh asked for, and was granted, unanimous consent that the Committee on Revenue and Taxation be permitted to use the Assembly Chamber today, at 2 p.m., for the purpose of holding a meeting.

REPORTS OF STANDING COMMITTEES

Committee on Conservation, Planning, and Public Works

ASSEMBLY CHAMBER, SACRAMENTO, March 13, 1947

MR. SPEAKER: Your Committee on Conservation, Planning, and Public Works, to which was referred:

Assembly Bill No. 35

Has had the same under consideration, and reports the same back with the recommendation: Do pass, and be re-referred to Committee on Ways and Means.

McMILLAN, Chairman

Above reported bill re-referred to Committee on Ways and Means.

ASSEMBLY CHAMBER, SACRAMENTO, March 13, 1947

MR. SPEAKER: Your Committee on Conservation, Planning, and Public Works, to which was referred:

Assembly Bill No. 32

Has had the same under consideration, and reports the same back with amendments with the recommendation. Amend, and re-refer to the committee.

McMILLAN, Chairman

Above reported bill ordered to second reading.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, March 17, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate on this day adopted:

Assembly Joint Resolution No. 6

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

Assembly Joint Resolution No. 6 ordered enrolled.

CONSIDERATION OF DAILY FILE
SECOND READING OF ASSEMBLY BILLS

Assembly Bill No. 26—An act to add Sections 80 and 81 to the Streets and Highways Code, relating to the California Highway Commission.

Bill read second time.

Motion to Amend

Mr. Ralph C. Dills moved the adoption of the following amendments:

Amendment No. 1

In line 1 of the title of the printed bill, after the second "to", insert ", and to amend Section 183 of,".

Amendment No. 2

In line 2 of the title of said bill, strike out "the California Highway Commission", and insert "state highways".

Amendment No. 3

On page 1, line 3, of the printed bill, after the comma, insert "in even numbered years before the thirty-first day of March and in odd numbered years".

Amendment No. 4

On page 1, line 11, of said bill, after the second comma, insert "in even numbered years before the thirty-first day of March and in odd numbered years".

PRINTER'S NOTE—There being no 7-point strikeout type available, the material which should appear in strikeout type in the following amendment is indicated by being enclosed within brackets.

Amendment No. 5

On page 1 of said bill, after line 18, insert

"SEC. 3. Section 183 of said code is amended to read:

183 With the exception of money authorized by law to be deposited in the State Highway General Fund, all money available for the acquisition of real property or interests therein for state highways, or for the construction, maintenance or improvement of state highways or highways in state parks shall be deposited in the State Highway Fund The moneys in said fund [are] *when specifically* appropriated [and] *by the Legislature* shall be allocated and expended for the purposes and in the manner provided in this code *except to the extent otherwise provided by the Legislature.*"

Amendments read, and adopted.

Bill ordered reprinted, and to third reading.

MOTION TO APPROVE JOURNALS

Upon motion of Mr. Dickey, the Journals for Monday, March 10, 1947; Tuesday, March 11, 1947; Wednesday, March 12, 1947; Thursday, March 13, 1947; and Friday, March 14, 1947; were approved as corrected by the Minute Clerk.

ANNOUNCEMENTS

Mr. Cooke announced that a meeting of all members of the Democratic Delegation will be held in Room 426, upon adjournment today, and urged full attendance.

ANNOUNCEMENT OF COMMITTEE MEETINGS

It was announced that the following committees would hold meetings:

At 1.30 p.m., today, in Committee Room—
Transportation and Commerce.

At 2 p.m., today, in Assembly Chamber—
Revenue and Taxation.

At 2.30 p.m., today, in Committee Room—
Fish and Game.

At 3 p.m., today—
Public Health (in committee room).
Social Welfare (in Room 426).
Subcommittee on Ways and Means (Agriculture) (in Room 432).

Thursday, March 20th, at 8 p.m.—
Revenue and Taxation.

Wednesday, March 26th, at 8 p.m.—
Municipal and County Government.

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Mr. Crowley and the Assembly, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Dugald Gillies of Vallejo.

ADJOURNMENT

At 12.27 p.m., on motion of Mr. Field, the Speaker declared the Assembly adjourned until 11 a.m., Wednesday, March 19, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

THIRTY-FIRST LEGISLATIVE DAY
SIXTY-SIXTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Wednesday, March 19, 1947

The Assembly met at 11 a.m.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Nichouse, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—77.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

Receive, O Lord, we beseech Thee, the offerings of our service and mercifully sanctify Thy gifts. And since we do not know how to pray as we ought, let Thy Holy Spirit suggest to us such prayers as Thou art pleased to hear—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Sherwin, further reading of the Journal of the previous legislative day was dispensed with.

ANNOUNCEMENT OF COMMITTEE APPOINTMENTS

Speaker Collins announced the appointment of the following General Session committee appointments:

Pursuant to the provisions of Assembly Concurrent Resolution No. 11 (General Session), Speaker Collins announced the appointment of Mr.

Ralph C. Dills, vice Mr Gardiner Johnson, as a member of the Joint Committee on Pre-School and Primary Training.

Pursuant to the provisions of Assembly Concurrent Resolution No. 31 (General Session), Speaker Collins announced the re-appointment of Messrs Stewart and Field, as members of the Joint Committee on the Housing Emergency.

Pursuant to the provisions of Senate Concurrent Resolution No. 66 and continued by Senate Concurrent Resolution No. 10 (General Session), Speaker Collins announced the appointment of Mr. Dolwig, vice Mr. Kraft, and Mr Crichton, vice Mr. Sawallisch, as members of the Joint Committee on Un-American Activities.

REQUEST FOR UNANIMOUS CONSENT TO USE ASSEMBLY CHAMBER

Mr. Hollibaugh asked for, and was granted, unanimous consent that the Committee on Revenue and Taxation be permitted to use the Assembly Chamber, today, for the purpose of holding a meeting.

REPORTS OF STANDING COMMITTEES

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, March 19, 1947

MR SPEAKER: Your Committee on Legislative Procedure has examined.

Assembly Bill No. 39—An act making an appropriation for mileage of the members and officers of the Assembly, without regard to fiscal years, to take effect immediately;

Assembly Bill No. 40—An act making an appropriation for the contingent expenses of the Assembly, without regard to fiscal years, including committee expenses, to take effect immediately,

And reports that the same have been correctly enrolled, and presented to the Governor on the nineteenth day of March, 1947, at 11.30 a.m.

WEBER, Chairman

ASSEMBLY CHAMBER, SACRAMENTO, March 19, 1947

MR. SPEAKER Your Committee on Legislative Procedure has examined.

Assembly Joint Resolution No. 6—Relative to memorializing Congress to grant to the State of California acreage in the Presidio of San Francisco for establishing the new San Francisco State College;

And reports that the same has been correctly enrolled, and presented to the Secretary of State on the nineteenth day of March, 1947, at 11:30 a.m.

WEBER, Chairman

ASSEMBLY CHAMBER, SACRAMENTO, March 19, 1947

MR. SPEAKER Your Committee on Legislative Procedure has examined:

Assembly Bill No. 26

And reports the same correctly engrossed.

WEBER, Chairman

Above reported bill ordered to third reading.

Committee on Transportation and Commerce

ASSEMBLY CHAMBER, SACRAMENTO, March 18, 1947

MR. SPEAKER: Your Committee on Transportation and Commerce, to which was referred:

Assembly Bill No. 41

Has had the same under consideration, and reports the same back with the recommendation: Do pass.

BURNS, Chairman

Above reported bill ordered to second reading.

ASSEMBLY CHAMBER, SACRAMENTO, March 18, 1947

MR. SPEAKER: Your Committee on Transportation and Commerce, to which was referred:

Assembly Bill No. 29

Has had the same under consideration, and reports the same back with amendments with the recommendation: Amend, and do pass, as amended.

BURNS, Chairman

Above reported bill ordered to second reading.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, March 18, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate on this day passed:

Senate Bill No. 35

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

FIRST READING AND REFERENCE OF SENATE BILLS

The following bill was read the first time:

Senate Bill No. 35—An act to amend Section 906 of the Streets and Highways Code, relating to the width of county highways.

Referred to Committee on Transportation and Commerce.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, March 18, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate on this day adopted:

Senate Joint Resolution No. 2

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

FIRST READING AND REFERENCE OF SENATE BILLS (RESUMED)

The following resolution was read:

Senate Joint Resolution No. 2—Relative to congressional support for flood control projects.

Referred to Committee on Rules.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, March 18, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate on this day passed:

Assembly Bill No. 39
Assembly Bill No. 40

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

Above bills ordered enrolled.

CONSIDERATION OF DAILY FILE

SECOND READING OF ASSEMBLY BILLS

Assembly Bill No. 32—An act to add Sections 147 and 148 to the Streets and Highways Code, relating to state highways.

Bill read second time.

Consideration of Committee Amendments

The following amendments were proposed by the Committee on Conservation, Planning, and Public Works:

Amendment No. 1

Strike out the title of the printed bill, and insert

"An act to add Sections 147, 148, 149, 150, 151 and 152 to the Streets and Highways Code, relating to state highways, declaring the urgency thereof, to take effect immediately."

Amendment No. 2

On page 1 of said bill, strike out lines 5 and 6, and insert "are required for mass transportation of persons on freeways."

Amendment No. 3

On page 1 of said bill, strike out lines 7 to 13, inclusive, and insert

"SEC. 2. Section 148 is added to said code, to read:

148. The department may enter into contracts with any transportation company, city, county, public corporation, district, or political subdivision, for the financing, construction and use of such mass transportation facilities. Any such contract may provide for the reimbursement to the department of such sums as it may expend to construct such mass transportation facilities by requiring as a condition to the use of such facilities that each user pay the department such sums based upon use or otherwise as may be agreed upon. The department may enter into additional contracts with additional users of such mass transportation facilities.

SEC. 3. Section 149 is added to said code, to read:

149. Any contract made under Section 148 may be modified by mutual consent of the parties thereto. In the event any contract is entered into for payment for the use of such additional facilities by additional users, the parties to any previous contract may modify the same to adjust the reimbursement of the additional cost among all users.

SEC. 4. Section 150 is added to said code, to read:

150. It is unlawful for any person to use any such mass transportation facility without permission of the department under contract or permit. Any person violating the provisions of this section is guilty of a misdemeanor.

SEC. 5. Section 151 is added to said code, to read:

151. A contract between the department and any transportation company under Section 148 shall authorize the use of both the freeway and the mass transportation facilities thereon to which it relates. During the effective period of such contract, no franchise for the use of such freeway shall be required by any city of such company.

Amendment No. 3

On page 1 of said bill, strike out line 14, and in line 15, strike out "148" and insert

"SEC. 6. Section 152 is added to said code, to read, 152".

Amendment No. 4

On page 1, line 18, of said bill, strike out "Section 147", and insert "this article".

Amendment No. 5

On page 1, line 20, of said bill, strike out "Section 147 or in this section", and insert "this article".

Amendment No. 6

On page 1 of said bill, after line 24, insert

"SEC. 7. This act is hereby declared to be an urgency measure necessary for the immediate preservation of the public peace, health and safety within the meaning of Article IV, Section 1, of the Constitution of the State of California, and shall therefore go into immediate effect. A statement of the facts constituting such necessity is as follows:

The Department of Public Works has acquired rights of way and prepared plans for the construction of certain structures for the improvement of a portion of State Highway Route 2 in the City of Los Angeles as a freeway and is now prepared to advertise the same immediately for bids. In order to relieve the serious congestion and hazard on the streets of Los Angeles, it is essential that this project be constructed as soon as possible and that provision be made therein for adequate facilities for mass transportation of passengers on such freeway by common carriers. In order to finance such additional facilities as are necessary therefor, it is necessary that this bill take immediate effect."

Amendments read, and adopted.

Bill ordered reprinted, and engrossed.

NOTICE OF MOTION TO WITHDRAW SENATE BILL NO. 5 FROM COMMITTEE CONTINUED

Mr. Boyd asked for, and was granted, unanimous consent that his notice, previously given, that on the second legislative day he would move to withdraw Senate Bill No. 5 from the Committee on Revenue and Taxation, be continued until the next legislative day.

CONSIDERATION OF DAILY FILE (RESUMED)
THIRD READING OF ASSEMBLY BILLS

Assembly Joint Resolution No. 5—Relative to memorializing Congress to issue commemorative gold coins, or in the alternative, to authorize the manufacture from gold of souvenirs for California's Centennial celebrations.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hawkins, Heisinger, Hinckley, Hinton, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Maloney, McCollister, McMillan, Miller, Niehouse, Price, Robertson, Rosenthal, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Wollenberg, and Mr. Speaker—70.

NOES—None.

Resolution ordered transmitted to the Senate.

Assembly Bill No. 26—An act to add Sections 80 and 81 to the Streets and Highways Code, relating to the California Highway Commission.

Bill read third time

Demand for Previous Question

Messrs. Grunsky, Robertson, Thurman, Evans, and Heisinger demanded the previous question.

Demand for previous question sustained.

The question being on the passage of Assembly Bill No. 26.

The roll was called, and the bill passed by the following vote:

AYES—Allen, Anderson, Beck, Bennett, Berry, Brady, Brown, Collier, George D. Collins, Cooke, Cramer, Crowley, Lester T. Davis, Dickey, Clayton A. Dills, Ralph C. Dills, Doyle, Dunn, Evans, Field, Fletcher, Geddes, Grant, Hahn, Hawkins, Huyck, James, Kilpatrick, Lowrey, Luckel, Lyons, McMillan, Miller, Niehouse, Robertson, Rosenthal, Thomas, Thompson, Waters, Weber, and Mr. Speaker—41.

NOES—Blosser, Boyd, Burke, Burns, Butters, Caldecott, Clarke, Conrad, M. Philip Davis, Debs, Dolwig, Erwin, Gaffney, Gannon, Grunsky, Heisinger, Hinckley, Hinton, Johnson, Kirkwood, Loomis, Maloney, McCollister, Price, Sherwin, Stanley, Stephenson, Stewart, Thorp, Thurman, and Wollenberg—31.

Notice of Motion to Reconsider Assembly Bill No. 26

Mr. Wollenberg gave notice that on the next legislative day he would move to reconsider the vote whereby Assembly Bill No. 26 was this day passed.

ANNOUNCEMENT OF COMMITTEE MEETINGS

It was announced that the following committee would hold a meeting: *At 2 p.m., today, in the Assembly Chamber—*

Revenue and Taxation.

ADJOURNMENT

At 1.10 p.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11.30 a.m., Thursday, March 20, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE

FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

THIRTY-SECOND LEGISLATIVE DAY

SIXTY-SEVENTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Thursday, March 20, 1947

The Assembly met at 11.30 a m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—78

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

Bless the Lord, O my soul, and never forget all that He has done for thee, and thy youth shall be renewed like an eagle's. Cast thy cares upon Him, for He has care of thee—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Dunn, further reading of the Journal of the previous legislative day was dispensed with.

REPORTS OF STANDING COMMITTEES

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, March 20, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:
Assembly Bill No. 32
And reports the same correctly engrossed.

WEBER, Chairman

Above reported bill ordered to third reading.

Committee on Conservation, Planning, and Public Works

ASSEMBLY CHAMBER, SACRAMENTO, March 19, 1947

MR SPEAKER: Your Committee on Conservation, Planning, and Public Works, to which was referred:

Assembly Bill No. 18

Has had the same under consideration, and reports the same back with the recommendation: Do pass.

McMILLAN, Chairman

Above reported bill ordered to second reading.

ASSEMBLY CHAMBER, SACRAMENTO, March 19, 1947

MR SPEAKER: Your Committee on Conservation, Planning, and Public Works, to which was referred:

Assembly Bill No. 24

Has had the same under consideration, and reports the same back with amendments with the recommendation. Amend, and do pass, as amended.

McMILLAN, Chairman

Above reported bill ordered to second reading.

CONSIDERATION OF DAILY FILE

SECOND READING OF ASSEMBLY BILLS

Assembly Bill No. 41—An act to provide for the recruiting and training of additional members of the California Highway Patrol, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

Bill read second time, and ordered engrossed.

Assembly Bill No. 29—An act to amend Section 511 of the Vehicle Code, relating to speed of vehicles.

Bill read second time.

Consideration of Committee Amendments

The following amendments were proposed by the Committee on Transportation and Commerce:

Amendment No. 1

On page 2, line 1, of the printed bill, strike out the comma, and insert a period; and strike out "or while such".

Amendment No. 2

On page 2 of the printed bill, strike out lines 2 and 3.

Amendments read, and adopted.

Bill ordered reprinted, and engrossed.

NOTICE OF MOTION TO RECONSIDER CONTINUED

Mr. Wollenberg asked for, and was granted, unanimous consent that his notice of motion to reconsider Assembly Bill No. 26 be continued until the next legislative day.

NOTICE OF MOTION TO WITHDRAW SENATE BILL NO. 5 FROM COMMITTEE CONTINUED

Messrs. Boyd and Heisinger asked for, and were granted, unanimous consent that their notice of motion to withdraw Senate Bill No. 5 from committee be continued until the next legislative day.

MEMBERS EXCUSED

At 12.03 p.m., Mr. Gannon asked for, and was granted, unanimous consent that he and Mr. Stephenson be excused for the balance of the legislative day, for the purpose of attending to other legislative business.

REQUEST FOR UNANIMOUS CONSENT THAT MAPS BE MOUNTED AND DISPLAYED

Mr. Ralph C. Dills asked for, and was granted, unanimous consent that some large road maps provided by the State Department of Public Works, from the Division of Highways, be mounted, and displayed in a prominent place in the Assembly Chamber.

NOTICE OF MOTION TO WITHDRAW ASSEMBLY BILL NO. 37 FROM COMMITTEE CONTINUED

Mr. Geddes asked for, and was granted, unanimous consent that his notice of motion to move to withdraw Assembly Bill No. 37 from committee be continued until the next legislative day.

RESOLUTIONS

The following resolution was offered:

By Mr. Dickey:

House Resolution No. 37

Resolved, That each and every attache heretofore employed in the Assembly during this First Extraordinary Session of the Legislature be and he is hereby stricken from the pay roll upon completion of work on Sunday, March 16, 1947; and be it further

Resolved, That the following named persons be and they are hereby appointed to the positions hereinafter set forth, with the compensation set opposite their names, payable weekly, and the Controller is hereby authorized and directed to draw his warrants in favor of the respective persons for the said respective amounts, and the Treasurer is hereby authorized and directed to pay the same; said compensation to be on a seven-day week basis:

Commencing Monday, March 17, 1947:	*Per day*
Chief Clerk, Arthur A. Ohnimus	$10 00
First Assistant Clerk, Harold F. Lewright	9 00
Minute Clerk, Geraldine B. Hadsell	9 00
Assistant Minute Clerk, Lillian Slater	7 00
Chaplain, Rev. Raymond Renwald	5 00
Sergeant-at-Arms, Wilkie Ogg	9 00
History Clerk, Ethel E. Brockelbank	7 00
File Clerk, Ruth Riley	7 00
Engrossing-Enrolling Clerk, Charles W. Robbins	7 00
Journal Clerk, Albert Day	7 00
Secretary to Speaker, Irene Anderson	7 00
Secretary to Chief Clerk, Dolly Smith	7 00
Assistant Clerk, Robert J. Finnie	7 00
Assistant Clerk, Carroll Parish	7 00
Assistant Clerk, Randal Dickey, Jr.	7 00
Assistant Clerk, C. William Queale	7 00
Chief Stenographer, Juanita Dependener	7 00
Bookkeeper to Sergeant-at-Arms, Elizabeth Marty	7 00

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 37, at this time, without reference to committee or file.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Sherwin, Sillman, Stanley, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—68.

NOES—None.

REQUEST FOR UNANIMOUS CONSENT THAT ASSEMBLY BILL NO. 32 BE WITHDRAWN FROM THE FILE, AND BE RE-REFERRED

Mr. Thomas asked for, and was granted, unanimous consent that Assembly Bill No. 32 be withdrawn from the file, and be re-referred to the Committee on Conservation, Planning, and Public Works.

REQUEST FOR UNANIMOUS CONSENT THAT SENATE BILL NO. 35 BE WITHDRAWN FROM THE COMMITTEE ON TRANSPORTATION AND COMMERCE, AND BE RE-REFERRED

Mr. Burns asked for, and was granted, unanimous consent that Senate Bill No. 35 be withdrawn from the Committee on Transportation and Commerce, and be re-referred to the Committee on Conservation, Planning, and Public Works.

REQUEST FOR UNANIMOUS CONSENT THAT FIFTH TRANSCRIPT RELATIVE TO STATE HIGHWAY SYSTEM BE ORDERED PRINTED IN JOURNAL

Mr. Hollibaugh asked for, and was granted, unanimous consent that the following fifth transcript, taken at a hearing before the Committee on Revenue and Taxation, on the California State Highway System, be ordered printed in the Journal, in 10-point type:

HEARING BEFORE THE COMMITTEE ON REVENUE AND TAXATION ON THE CALIFORNIA STATE HIGHWAY SYSTEM

VOLUME IV

Friday, March 7, 1947, 2 p.m.

CHAIRMAN HOLLIBAUGH: The meeting will come to order, and this is the meeting of the Assembly Revenue and Taxation Committee, considering the special session highway bills.

For the benefit of those who have not attended before, we have under consideration Assembly Bill No. 1, creating a Highway User's Fund; Assembly Bill No. 2, the administration of the new proposed highway system; Assembly Bill No. 6, which proposes to raise the gas tax fund; Assembly Bill No. 7, regarding fuel taxes; Assembly Bill No. 8, transportation and weight taxes; Assembly Bill No. 12, exemptions from fuel taxes.

I will proceed to call the roll.

(Roll call was thereupon had)

There are nine present, there is a quorum here—Evans is here, and Mr. Thomas is in the building, and he will be down. I will mark him present also.

For the benefit of Members of the Assembly who haven't been present before, our speakers complete their part of the program, and afterwards we ask questions. We do not interrupt the speaker while he is introducing his testimony. The members of the committee will ask questions first, and after the members of the committee have finished, then other Members of the Legislature are invited to ask questions and you must confine your questions to the germane subject, and the subject is the whole highway program.

The first gentleman this afternoon is Mr. Lampton, Director of Motor Vehicles, whom we have invited to appear here because some of the members wish to ask him some questions regarding safety phases of the highways, and Mr Lampton has been ill with a cold, but has come over because he felt it would help we fellows out, so let us keep our questions as short as possible in order not to detain him too long.

Mr. Lampton, will you take this microphone down here?

MR. EDGAR E. LAMPTON: (Director of Motor Vehicle Department) Mr. Chairman, and Members of the Committee:

I am grateful for this opportunity to appear before you this afternoon, and to discuss with you some of the problems confronting the Department of Motor Vehicles. I have been told that this was more or less a general discussion on all the legislation that appertained to highway programs, and I have not come prepared to discuss any particular measure intimately. I have not as yet had an opportunity to study those bills that will be taken up in the regular session on the seventeenth. Most of my time heretofore has been taken up with an analysis of those bills introduced at the special session. I have prepared a short statement and in order that there not be any errors. I am going to ask your indulgence to read this to you.

The Department of Motor Vehicles is vitally interested in the highway construction program as proposed by Governor Earl Warren in his message to the Legislature.

While the department plays little or no part in the engineering features of highway safety, it is convinced that a substantial portion of the present high accident rate is traceable to inadequacies of our present highway system.

A notable example upon which fairly dependable statistics may be produced is grade-crossing accidents. During 1946, or rather, the first 11 months thereof, there were 156 fatalities, 642 injuries in 492 grade-crossing accidents, all of which, of course, are reported.

We believe also that many of our accidents which appear to have been caused by mistakes credited to the drivers are actually traceable to highway faults or inadequacies. In this category are the thousands of accidents credited in the records as cutting in and out of line, passing on curves, passing on the wrong side, passing on the hills, two and three-lane head-on collisions, and numerous others.

The department is not concerned with the numerous proposals for raising the necessary revenue through increased gasoline taxes, mileage and weight fees and registration fees. These matters do not come within our jurisdiction; they are matters purely of policy for the Legislature.

Should you decide to increase the weight and registration fees and place the responsibility of collection upon our department, we could

assume that task with little or no additional cost, since we already are collecting registration and vehicle license fees.

We note several bills are before you which would establish a new base for collecting the vehicle license fee by eliminating the present requirement that this tax be based on the current market value of the vehicle. We believe that such a change is highly desirable. This existing system puts an almost impossible task upon us. Had the Legislature not come to our rescue some years ago by freezing the market values at the 1943 level, it would have been necessary for us to charge the vehicle owners many millions of dollars more.

We note among the bills establishing a new base for vehicle license fees, one that would wipe out the contribution now made to the General Fund. While this is a matter of policy, we call your attention to the fact that this would eliminate a potential source of about $3,500,000 revenue for our support, and it would be necessary to develop some new revenue to make up this deficit

You have before you several proposals for imposing a fee for drivers license. Although we have made no recommendation as to the amount that should be charged, we are heartily in favor of the principle California is now the only state giving an examination for driver's licenses that does not require a fee The highest charge in the Nation is $2 for an examination, plus a $3 annual renewal fee. Twenty-one states have fees ranging from $1 to $3 We believe the people of California will pay a fee for this service gladly if they can be assured that the money is to be applied toward weeding out negligent and incompetent drivers, giving better examinations, building better highways, and putting more highway patrolmen on the road.

With respect to proposals for increasing the registration fees, we believe it can be stated with accuracy that the fees now charged in California are somewhat below the average when compared with other states. We have dependable statistics on this subject which we will be glad to provide if you desire them.

Our studies in this regard indicate an average for the entire Nation of $11.68 in registration and other state tax fees, as compared with $9.66 for California. The California figure includes registration and vehicle license fees charged on all types of vehicles, including commercial.

I would like to say a word about the growth of our registrations because of the bearing it has upon traffic volume and our consequent need for better roads.

During the calendar year of 1946 our records show a total of 3,442,051 vehicles registered. This is a gain of 323,211 vehicles over 1945 and is an all-time high. This does not include some 48,000 tax exempt vehicles used by the several political subdivisions. In addition, there are thousands of vehicles operated by nonresidents, federal employees, and military personnel on our highways, of which we have no record. Conservatively speaking, there are three and three-quarter million vehicles presently using our inadequate highway system.

Compare the 3,442,051 vehicles for 1946 with the 1,640,294 vehicles registered in 1926, and you can see where California has gone in the last 20 years.

New vehicles are now beginning to roll in. We are anticipating a registration in excess of 3,800,000 by December 31st of this year.

These tremendous increases cannot fail to be reflected in terms of increased highway mileage and a consequent increase in accidents. In the first 10 months of last year alone, there was an increase over the same period of 1945 of more than 553,000,000 gallons of gasoline consumed. Of course, the lifting of rationing had something to do with that.

You have heard much repeatedly about our traffic death rate. The figures are ghastly, but I believe they are worth repeating for the sake of emphasis.

In California last year alone 3,807 persons lost their lives in traffic accidents and more than 80,000 others were injured. I need not tell you that the economic loss to society of so much needless slaughter will mount into the billions of dollars.

We believe the approach to safety lies in the practical application of the three "E's" of safety: Engineering, Enforcement, and Education.

All three are important and all three cost money. My department is concerned primarily with enforcement and education. We need money for more highway patrolmen and money for carrying on a continuous and expanded program of safety education among our citizens. Funds are also needed to employ additional registration help in order that our citizens may not have to stand in line unreasonable lengths of time with money in their hands which they are trying to give to the State of California.

Gentlemen, these are the highlights of our problems. I will now submit myself to any questions that you may desire to ask, and if I am unable to answer them, I have several members of my staff here and I am sure that from one of us, you can secure the right answer.

CHAIRMAN HOLLIBAUGH: Any member of the committee wish to ask Mr. Lampton any questions? Yes, Mr. Geddes.

ASSEMBLYMAN GEDDES: Mr. Lampton, I agree with you that this is a problem which is requiring a great deal of attention on the part of the Legislature to do what is right, and attempt to a solution, and probably the most spectacular part of it which has been presented to us is requiring speedier than normal action as the great death toll and accident toll on the highways to which you have adverted to some considerable extent increases.

I notice that you name one particular segregation as to accidents at grade crossings, which, of course, with the advent of these super highways will be more or less eliminated. We had 156 fatalities out of a total of 492 grade crossing accidents, is that correct?

MR. LAMPTON: That is correct, yes.

ASSEMBLYMAN GEDDES: I have here a tabulation, a report to the Governor, whereby up to October 1, 1946, which is practically the same period as you reported—I think that was to November, where it states that the total of 7,503 drivers in California traffic accidents were reported because they were intoxicated. This figure compares with 4,074 in the same period in 1945, an increase of over 80 percent. It also states that these inebriated drivers were responsible for 468 fatal accidents in 1946 as compared with 422 in 1945, and they cause 7,035 injury accidents, as compared with 5,652 in 1945.

Now, I agree that we must make speed to save these fatalities on the highways, and that proper grade crossings and elimination of grade crossings would eliminate some of that. What do you propose, outside

of enforcement, division enforcement by your department—what can be done to eliminate these drunken drivers which would occur just the same as they are on the highways now and on the city streets?

MR. LAMPTON: Well, Assemblyman Geddes, shortly after Governor Warren appointed me to this department, I having had considerable knowledge of the Motor Vehicle Act in my past connections, I recommended that additional funds be furnished our department in order that we might review, and carefully review the citations and court abstracts, which, of course, are sent in to us, and then the accident records. It seems, of course, that many of our accidents are caused by only a few of the drivers It would be impossible for us to place a highway patrolman in back of each car, to see that the driver abided by the Vehicle Code, so the Governor very gladly furnished funds for us to start an accident prevention bureau, which was established the first day of July shortly after the Governor had held his safety accident meeting, immediately on the conclusion of President Truman's safety meeting in Washington.

That department has made a study and is cooperating with all people who want to do something about the question, and the great work that was pioneered by that department, we found that the best way to eliminate the negligent and careless driver, the driver who shows a wilful disregard for the law, was to seek some special driver experts who would devote their entire time to reviewing the files of those drivers who were involved in too many accidents or had too many court citations. That work is now going on and these special experts go to the cities or to our offices in the county wherein the driver lives, he having received a notice to appear and show cause on such and such a day and hour—show cause why his driver's license should not be revoked.

That is the procedure at this moment that I am depending so much on to take care of that particular type of driver.

Does that answer your question?

ASSEMBLYMAN GEDDES: In part. Then we might sum it up and say that were proper steps taken to this problem that you are so much interested in and in which I agree, that a great number of fatalities through safe driving and revocation of licenses, that if the Legislature could act upon that program, they could assist almost as much in materially reducing the number of accidents and fatalities as if we gave this blank check for expansion of our highway system?

MR. LAMPTON: I agree, and I think that is amply brought to light through the fact we had an increase last year of to some 323,000 registrations, and yet the increase of fatalities in the State of California was only about 70, 70 more in 1946 than we had in 1945, and had our fatalities increased in proportion to our motor vehicle registration, we would have been up to almost 4,000 fatalities, and I personally feel that if I can work on revocation and suspension of the negligent driver's license, with the publicity that we have received from the press so freely, and from the radio and the activities of various safety councils which have been organized, we can be given credit for these reductions.

ASSEMBLYMAN GEDDES: I agree most heartily with your last statement. Now then, just changing the line of questioning for a moment in which you discussed the fee on driver's licenses, and in which you favor the principle. Would you say that the fee should be just enough to take care of the expenses incident to such a program as you have outlined,

which would be the actual mechanical work and expenses involved, and your safety patrol and the rest of it, or should that be used, in your opinion, to supplement the funds that would go to you now, or is it better to make a segregation?

MR. LAMPTON: Well, up to the present time, the Legislature has given our department funds which were actually derived or collected by the registration department for the support of all of our activities. Now, if the Legislature decides to change the method of collection, I would say that we, as an administrative body, would gladly carry out and carry on as indicated by the Legislature. I think the answer is a question which you gentlemen will have to decide yourselves.

If you want my individual personal opinion, I would say that I believe that I did not desire in my prepared statement here, I felt that the people of the State of California would gladly pay for a driver's license, whatever was necessary, if they could be assured that the fund, which are the new funds thus raised, would be devoted toward the elimination of the reckless drivers, towards a better examination, towards providing more patrolmen and for building highways; so far as our department is concerned, if you wish to make the entire charge on a driver's license apply toward one thing, and the driver's examination, and the registration fee toward registration, you could do that.

ASSEMBLYMAN GEDDES: The point is whether we should simply make an appropriation to you out of the Highway Fund, which is something entirely different from this other program, that we would set your division into motion by itself, and support all these activities if the Legislature agrees on the revenue to be derived from certain fees, which would be collected from the motorist, and then let other means of taxation which this committee must pass upon, and the Legislature take care of building and maintenance.

MR. LAMPTON: I think the latter part of your question is the best method of procedure. I can see no reason why we should make any charge for an operator's license that is not necessary for the support of that department, and its necessary and needed expansion. If you want to raise money for building highways, I believe that it should be raised from some other source, however, that is purely a policy question for the Legislature.

ASSEMBLYMAN GEDDES: Now, just following that up, and then I am through.

From what you have said and stated, you already get a percentage, which is available, it will probably be a relatively simple matter to figure the cost in advance of a proposed program, the estimated license and registration which we can expect, and from the expected cost, plus an ample margin for unforeseen contingencies, so to base a fee devoted to that work as a business procedure?

MR. LAMPTON: That is right.

ASSEMBLYMAN GEDDES: Thank you, that is all I have.

CHAIRMAN HOLLIBAUGH: Mr. Knight, you wish to question—Mr. Stewart?

ASSEMBLYMAN STEWART: Mr. Lampton, about how many highway patrolmen do you have now actually at work?

MR. LAMPTON: We have at the present time 765 patrolmen on the highways. That does not include sergeants, captains, and district inspectors.

ASSEMBLYMAN STEWART: How many did the department have in 1944, approximately. You may not have that information.

MR. LAMPTON: I believe in 1944 there were up to as high as 830 officers.

ASSEMBLYMAN STEWART: And now you have more than double, or more than 100 percent, registration, and practically no more patrolmen?

MR. LAMPTON: We have fewer patrolmen.

ASSEMBLYMAN STEWART: You have fewer patrolmen. How long does it take to prepare a man to patrol on highways?

MR. LAMPTON: A green recruit would require from 8 to 12 weeks, I would say—on an average of 10 weeks.

ASSEMBLYMAN STEWART: Do you have a school in constant operation to train these new recruits that you may get from time to time?

MR. LAMPTON: The patrol prior to the war had a school—when I say had a school, they met for training purposes out here on the fair grounds, but all during the war, I believe since 1941, the patrol has been obliged to function without a school. Our budget during the Ninety-seventh and Ninety-eighth Fiscal Years allowed the patrol $10,000 for the purpose of conducting the school, and that just approximately would pay the chief instructors' salary.

ASSEMBLYMAN STEWART: How long did you say it takes to train a green man?

MR. LAMPTON: I would say to train them in all the fundamentals and ethics, first aid, the radio training necessary, that he should have 10 weeks to come out a first class officer.

ASSEMBLYMAN STEWART: That is, after 10 weeks' training, in school, conducted by your department, with competent instructors, you feel that he was competent to go out on the highways and enforce the Motor Vehicle Code sufficiently?

MR. LAMPTON: I feel that the man would be absolutely competent, possibly we might do it in eight weeks.

ASSEMBLYMAN STEWART: About how much money would it cost per man—a green recruit—to take him and put him through your school—about how much would it cost per annum?

MR. LAMPTON: Over and above their starting salary, we would have to pay them a subsistence of approximately $6 a day, I believe their base pay at the present time is $260 a month—that would be the direct pay-out to the officer and cost to the State. We would be obliged to furnish the necessary instructors and the equipment—recruits do break up motorcycles.

ASSEMBLYMAN STEWART: Mr. Lampton, you could train about 50 per month—how many per—how many could you take in this school?

MR. LAMPTON: I doubt, Mr. Stewart, that we could handle over 50 men at one time—the school would be so large, it would require a doubling up of instructors.

ASSEMBLYMAN STEWART: Then we will start this school with 50 men, and then we will go right along for 10 weeks with 50 men and if we finish them as you indicated, that would mean then that we could take another 50 men?

MR. LAMPTON: That would take 10 weeks for each 50 men—yes, that could be done.

ASSEMBLYMAN STEWART: That would take 10 weeks, that would probably take 250 men a year that you train successfully?

MR. LAMPTON: I believe that is about all, unless we got into a very large school with additional instructors.

ASSEMBLYMAN STEWART: These men—when they make application—do you give them an examination as to their physical fitness, or did they take civil service examinations before you started them in the school?

MR LAMPTON: The first thing they have to pass is a qualifying test before they are even allowed to take a written examination. I mean that they must be a certain age, a certain height, a certain weight, and must have certain degrees of education, and after meeting all of these, they are given a written test, and if they pass that, in that event they must take a physical examination which, I tell you, that very few of us here could pass, plus a motorcycle riding test.

ASSEMBLYMAN STEWART: Mr. Lampton, how many men approximately, are now on the waiting list ready to attend this school, presuming that you are going to start it next Monday—how many pupils have you that you could bring in?

MR. LAMPTON: I think there are approximately 146—there are about 160 men on the eligible list, and which were certified to us but could not report for their jobs because they were in the armed forces.

ASSEMBLYMAN STEWART: They have passed the civil service examination?

MR LAMPTON: They had passed everything and were merely waiting for a call. If they were not in the service, we would have filled vacancies from that group.

ASSEMBLYMAN STEWART: Have you any information—

MR. LAMPTON: One hundred twenty-six of those have returned from the service and have requested an opportunity to join the Highway Patrol. Of the remaining amount, we have been unable to locate them and we do not know whether additional men have since returned.

ASSEMBLYMAN STEWART: This question is asked very seriously; why haven't those that have returned been put on the pay roll and put out on the Highway Patrol?

MR. LAMPTON: I think if you will go back to the 1945 special session of the Legislature you will find out that a bill was adopted which limited the personnel of the California Highway Patrol to 624 officers or patrolmen on the highway. Then immediately thereafter, at the next special session, the Legislature adopted a bill which allowed us to re-employ members of the Highway Patrol who had been active in the armed service as they returned and gave us additional funds and so at the present time, we haven't the money to put any additional men on, and if we did, and if the Legislature should not remove the now existing maximum of 624 officers, we would have to lay somebody off, come June 30th.

ASSEMBLYMAN STEWART: Assuming that you had funds appropriated on the first of April, that this Legislature enacted a law—and appropriated money—a law to put on another 500 men on the Highway Patrol, how long would it take you to qualify those men?

MR. LAMPTON: Be an awfully big program to complete the 500 under a two-year period.

ASSEMBLYMAN STEWART: How many, in your judgment, do you need, in view of the increased traffic registration on our highways—how many patrolmen do you need in your opinion, to adequately enforce the Motor Vehicle Code to the end that the enforcement will be satisfactory to you?

MR. LAMPTON: I requested Chief Cato to make a survey, and he did, and his report was that he would need at least 500 additional men in order to do what he called a first-class job of patrolling. That is to have patrolmen on three shifts each day in each of the counties where traffic would justify that large a force.

ASSEMBLYMAN STEWART: I see, Mr. Lampton, may I ask you in passing—your prepared statement—have you copies to furnish the members of the committee, or can you furnish us with copies, I assume?

MR. LAMPTON: It could be furnished, yes sir.

ASSEMBLYMAN STEWART: I would like to request in behalf of my staff that we could have that—a mimeographed report of your statement. Now, are there any bills—are there any bills now introduced to your knowledge, that will increase the force to the size that you think it would —you would require. Do you know of any legislation now introduced in this extraordinary session?

MR. LAMPTON: I know of lots of bills that could turn into almost anything, however, I am positively assured that Governor Warren's Budget Bill has recommended an increase of at least 200 men during the Ninety-ninth Fiscal Year, to be put on at the rate of 50 men per quarter.

ASSEMBLYMAN STEWART: That would be about as many as you could train?

MR. LAMPTON: That would be about as many as we could train.

ASSEMBLYMAN STEWART: In other words, it takes about one quarter to train the men and to get them out on the highway?

MR. LAMPTON: Possibly we could do it, as I said, about in eight weeks.

ASSEMBLYMAN STEWART: And that would require, if we enabled—that the Legislature enabled you to do that—that would be just about half of what you actually needed if you were to do a good job of patrolling the highways under present conditions?

MR. LAMPTON: Well, there are other items in our budget that would aid in that connection. As an example, many of our highway patrolmen —I shouldn't say men, we have a lot of women over there too—but quite a number of them are used in offices for radio dispatching, and during the registration period, in the rural areas, particularly, to aid in the registration problems of our department, so those men could be released to actual patrol duties. But, in so doing, our Department of Motor Vehicles and the registration should be increased by whatever number of men that we would send out from the offices. Mr. Stewart

ASSEMBLYMAN GEDDES: Mr. Stewart, pardon me, you are relying that such a proposal will probably be financed by some special revenue?

MR. LAMPTON: Yes, possibly.

ASSEMBLYMAN STEWART: Assuming that it is from the registration or some source that this Legislature has to provide in this budget, and I have read the Governor's Budget. I am trying now to get from Mr. Lampton how much money he needs and then it would be easy for us to

determine how much money he has to have and where we are going to get it.

ASSEMBLYMAN GEDDES: All right. I just didn't want to get in a ways and means discussion.

ASSEMBLYMAN STEWART: I do recognize that. This gentleman knows —feels that he knows, and I believe he does—what he needs and I am trying to develop here how long it would take him if we furnish him the money to prepare an adequate patrol of highways under the conditions that exist now. I believe we have that information, that I have developed to a certain extent that information. We will have his report that he has read I think we can proceed from there.

CHAIRMAN HOLLIBAUGH: Mr. Knight.

ASSEMBLYMAN KNIGHT: Mr. Lampton, your department is directly concerned in regard to the enforcement of traffic regulations, which deals directly with safety of the highway, is that correct?

MR. LAMPTON: Yes.

ASSEMBLYMAN KNIGHT: If you had an opportunity to select one of two programs, one of which is properly financed highway building, as possibly recommended by the Collier committee, or an increase in your patrolmen's staff of 500 men, which item do you consider would give us the greatest protection for life and limb in the next 12 months?

MR LAMPTON: To get the immediate effect, I would take the increased patrolmen.

ASSEMBLYMAN KNIGHT: Thank you.

MR. LAMPTON: But for getting a long-range effect 5 or 10 years from now, I would say that probably the divided highways would make a big difference.

ASSEMBLYMAN KNIGHT: But you still have to maintain your patrolmen?

MR. LAMPTON: Yes

CHAIRMAN HOLLIBAUGH: Yes, Mr. Waters.

ASSEMBLYMAN WATERS: Mr. Lampton, the matter which I am going to refer to—the question will be rather brief

In reference to the processing of driver's licenses from the time application is made until the time final license is made, what is an estimated cost for that entire processing, or do you have such an estimate?

MR. LAMPTON: I haven't that exactly, I know it takes about 60 days. My deputy, Phil Davis could answer that—Phil? Mr. Phil Davis, deputy of our department.

MR. DAVIS: I don't quite understand the question, Mr Waters.

ASSEMBLYMAN WATERS: I am trying to obtain the item cost—the total processing cost of a driver's license from the time of application until the time the license is ultimately delivered.

MR. LAMPTON: Fifty-nine cents each, I believe.

MR DAVIS: I'm not sure, it is around 59 cents. We have recently run a survey on the cost of actually processing the applications for duplicates of operator's licenses. We did that for a purpose, because the code now provides that the fee is to be 50 cents. We were conscious that we were losing money, we didn't know exactly how much. The survey revealed that the actual cost of producing a driver's license is approximately 72 cents.

ASSEMBLYMAN WATERS. Then I believe the $1 proposed charge in Senate Bill No. 5—that would take care of all expenses in that particular?

MR. DAVIS: Senate Bill No. 5, Mr. Waters, doesn't provide for a cost of $1. It provides for a $5 fee for the original and $4.50 for the renewal.

ASSEMBLYMAN WATERS. Then we have an assessment not based on actual cost?

CHAIRMAN HOLLIBAUGH. Mr. Waters, I might suggest that Mr. Heisinger called to our attention day before yesterday, I believe it was, to a letter in which we had the break-down relative to this. The letter appeared in the Journal, it is in that Journal.

ASSEMBLYMAN WATERS: Thank you, Mr. Lampton

ASSEMBLYMAN GEDDES: Mr. Lampton, you made reference—you suggested the system under which the department is functioning at present with these inspectors, and so on, and hearings. How many licenses have been revoked or suspended as a result of this process?

MR. LAMPTON: The increase is running approximately 250 a month over the normal increase—suspensions, revocations, and cancellations. As you know, there are certain cases in which there is a mandatory revocation or suspension, running approximately 2,500 to 3,000 per month.

ASSEMBLYMAN GEDDES: And these special processes that you have established increases that by some 250?

MR. LAMPTON: Some 250 at the present time. Of course, our files are not in order. We have not had time to organize that program, just started December 1st.

ASSEMBLYMAN GEDDES. I see. Is there any feasible means whereby we could initiate a driving examination and thereby weed out these negligent drivers before they actually receive these licenses, and keep them from getting on the road for the first time?

MR LAMPTON: Yes, Chief Mason of the driver's license division has never had sufficient funds to do a good job. He was handling approximately 1,500,000 driver's licenses per year, when his staff was only capable of handling around 900,000. therefore the class of the examination had to deteriorate.

ASSEMBLYMAN GEDDES: Does the necessary requirements—is that reflected in the proposed budget that the Governor has before the Legislature?

MR. LAMPTON: Yes.

ASSEMBLYMAN GEDDES: Is there any other legislation—

MR. LAMPTON. Wait just a moment—I want to check that on the figure—talk to my finance officer, Phil Davis.

ASSEMBLYMAN GEDDES: Did your budget reflect the additional money for the continuance of this program so far as Mason's department is concerned?

MR. DAVIS: It does, as I recall. The budget calls for approximately 144 new positions in the Division of Driver's Licenses.

MR. LAMPTON: That is in your budget, if you give us this budget, we can do it completely.

ASSEMBLYMAN GEDDES: Is there any other legislation that is necessary, or would be advisable, to give stricter tests for drivers?

MR. LAMPTON: That is purely an administrative feature, Mr. Geddes, we have the power now. We are told we are charged with giving a proper examination and written tests, vision tests, driving tests, and we have been able to do that only to the extent of the manpower we have to handle the demand. There are a number of bills pending or introduced, however, which would set up various penalties for certain offenses which would materially aid and make people value their licenses more than they have, but I don't think that any additional legislation is necessary so far as the actual giving of the examination. There is one bill in particular which clarifies the procedure where we have taken your license—clarifies the procedure as to a hearing and your possibility of recovering that.

ASSEMBLYMAN GEDDES: Thank you, Mr. Lampton, that is all I have. Mr. Hollibaugh asks to ask you something, Mr. Director.

CHAIRMAN HOLLIBAUGH: Mr. Geddes is chairman now. Mr. Lampton, you read a copy of the California's Highway Problem, as developed by the Collier committee?

MR. LAMPTON: Yes sir.

CHAIRMAN HOLLIBAUGH: I wish to read a sentence here on page 82, under the heading of "The Driver." They have discussed accidents on the highways and so forth under heading, "The Driver." They say this: "Highway engineers can design and build modern, safe highways, and the automotive industry can provide safe vehicles, but inept, careless, or criminal drivers can still cause accidents." Do you agree in effect to that?

MR. LAMPTON: Absolutely

CHAIRMAN HOLLIBAUGH: "The study of California's 1945 accidents, mentioned above, showed that of 53,000 drivers involved, 85 percent violated one or more sections of the Motor Vehicle Code." Does that seem about correct, to your knowledge?

MR LAMPTON: There has to be a violation in almost every case of an accident.

CHAIRMAN HOLLIBAUGH: "These violations were broken down thus: Exceeding the speed limit or safe speed, 26 percent; violating right of way, 23 percent; driving on wrong side of road, 9 percent; disregarding signs, signals or orders, 8 percent; following too closely or improper passing, 11 percent; improper signals and turns, 6 percent; other violations, 17 percent." Does that seem practically right to you?

MR. LAMPTON: That seems about like 200 percent to me.

CHAIRMAN HOLLIBAUGH: I will read a little further then: "Despite this obvious requirement for safety, 9,082 drivers involved in California accidents last year were reported to have been drinking or under the influence of intoxicants. Nearly 800 fell asleep at the wheel, the same number had physical defects, and 500 were reported as being fatigued or careless." Do you think if we had our "super-duper" highways that it would have made any difference?

MR. LAMPTON: No. I believe that people driving after drinking or when they are fatigued, will still have accidents on divided highways; however, there is one point that should not be overlooked. The accidents, in my opinion, would not always be so fatal. The fatigued driver on a highway where all traffic is headed in one direction would probably run over the bank or run into some ditch or fence or post, but the driver who

is fatigued or has been drinking, or some driver who is in too much of a hurry, when he goes down a two, or three, lane highway and collides head on with another car, it doubles the impact of the cars, with more fatal results.

ASSEMBLYMAN GEDDES: (Acting chairman) Do any other Members of the Legislature desire to question? Mr. Cramer.

ASSEMBLYMAN CRAMER: Mr Lampton, if you got the additional money from the driver's license fees, would you use it to give a stricter driver's test, put on more examiners and give each individual the examination he should have?

MR. LAMPTON: That is the intent.

ASSEMBLYMAN CRAMER: Well, I wanted to—I am not going to criticize you. My own experience shows that this money is needed for your office, because I know for a fact that in the metropolitan areas people go in by the thousands to obtain driving licenses, people are handed the examination form, and in taking the examination nine out of ten people on the highway today don't know the code under which they are operating, and I believe this driving license fee which you are asking for is badly needed.

MR. LAMPTON: I want to tell you that 53 more like him and we will have our budget.

CHAIRMAN HOLLIBAUGH: Mr Heisinger? Wait—Mr. Kirkwood?

ASSEMBLYMAN KIRKWOOD: I would like a little more information along the lines of that last question. I am not quite sure that I understand your answer to the last question As I understand Mr. Cramer's question, as to whether the entire $1 50 a year would be used for furnishing an increase in the examinations. That is quite correct, is it? It would be for the examinations and enforcement to check up, and all of that?

MR. LAMPTON: Thank you, Mr. Kirkwood, I did not understand Assemblyman Cramer's question in that light—I understood we would be able to do a better job—

ASSEMBLYMAN KIRKWOOD: It would be proper—

MR. LAMPTON: —and naturally we would do a better job, because none of us are satisfied with the class of our examination

ASSEMBLYMAN KIRKWOOD: I just didn't want anyone misconstruing that to think that the $1 50 would necessarily have to be spent on that

MR. LAMPTON: In answer to your question, I believe I would say the intent, when we went before the Collier committee answering similar questions, that this $1 50 per year, was to defray the cost of division operations in a better manner than it is now functioning, plus a surplus and aid to support the California Highway Patrol.

CHAIRMAN HOLLIBAUGH: I would like to ask you a short question right here from behind. It wouldn't make any difference just so that you got the money, where it came from, would it?

MR. LAMPTON: No, no.

CHAIRMAN HOLLIBAUGH: Mr. Heisinger.

ASSEMBLYMAN HEISINGER: Mr. Lampton, in the first instance I wish to thank you for the detailed letter you wrote me in answer to the questions I submitted to you, and I took pains to put them in the Journal, and I have already received word from my district asking for information I am sending some of them forward Now, there is a new thing that

is taking hold in the State, that is, they are starting an educational system in some of the schools pertaining to driving.

In your opinion, do you think that that should be pushed, or encouraged, throughout the schools of California?

MR. LAMPTON: Well, Assemblyman Heisinger, that bill is one of the regular session bills which is—now, I have not had an opportunity to study it, however, I have read through one and it appears that the bill as written would, of course, be of some value, but would be prohibitive in cost in proportion to the amount of good that would come from it, and Mr. Huggins, who is the head of my Accident Prevention Bureau, is making a close study, and it was my intention to confer on it to see if we could secure one or two minor amendments which would allow it a better chance of becoming effective; for example, take the larger metropolitan areas, it would be a question of securing the necessary automobiles to give the actual driving test, whereas, in the rural areas, the parents themselves would be only too happy to furnish their own car to their own child. That would not be so in the larger cities.

ASSEMBLYMAN HEISINGER: The thing that I had in mind, of course, it has already been established in a small way in some of the schools, and I was wondering—in fact, I felt that it would be one way, and a good thing to do, even if no actual work was accomplished, it drew the attention of the public to the necessity of better driving methods on the highways of California.

Now, in this detailed statement that you made, I notice in enforcement—does that include all of the patrol officers, the item of four million ninety-three thousand—it says enforcement—I assume that means the patrolmen on the road?

MR. LAMPTON: That is the California Highway Patrol, uniforms, and civilian personnel.

ASSEMBLYMAN HEISINGER: And if you should receive more patrolmen, which I favor very much, naturally the cost would go up according to the number you put on?

MR. LAMPTON: I think the cost goes up approximately fifty-one or fifty-two hundred dollars a year for the man's training and his necessary equipment.

ASSEMBLYMAN HEISINGER: I know, now, in this detailed statement, that where it was based on a registration of 3,272,038 vehicles, and the total cost of administration all the way down, that six different departments was $9,223,456, meaning a little less than $3 per registration, but as you indicated a while ago, probably more pains should be taken toward the qualifications of these drivers and as the speaker here said, cost some 70 cents, in this list, that is listed as 30 cents, plus. I imagine that is getting down to a pretty low figure.

MR. LAMPTON: That is about the cost of examination they got when this was prepared.

ASSEMBLYMAN HEISINGER: Really, you can't give much examination for 30 or 40 or 50 cents, can you?

MR. LAMPTON: No.

ASSEMBLYMAN HEISINGER: Well, should not a better examination be made so that you can get into the detail of a man's or a girl's, or a

boy's, or a woman's ability to actually drive a vehicle. Shouldn't more attention be given to that?

MR. LAMPTON: There is no question that an examination should never be slighted. I might say to the members of the committee at this time that a full and thorough examination is made at the time of original application, in the first appearance in the State of California. It was only the renewal application of those people who had been driving an automobile in California that we had to slight, because of a lack of manpower. Many of those people did not receive a written examination, and others did not receive a driving test. It had been the policy of the division that with driver's licenses where it was plainly clear that the applicant should be given a driver's license, it was given, but we can't catch all those who, because of age, and infirmities, and because of poor vision, that a driver's license should not be given them, because of the long lines waiting. Those tests were naturally not the kind that would be conducive of the best that the driver should have.

ASSEMBLYMAN HEISINGER: In following up this thing now, there are officers, patrolmen, on the road that get injured at times, when really they should be taken off the road, but they are probably not wholly incapacitated. Could not those men be used as instructors and persons testing these people?

MR. LAMPTON: That would be like selecting a grammar school boy to teach grammar to school boys. The personnel that have been used to conduct all schools that have been conducted in the past are highway patrolmen that are graduates of the University of Northwestern, of the fine police school that they have back there, and we have a number of men in the Highway Patrol that are really qualified, so I would say that, let's not put grammar school boys in for instructors. Let's give the best instruction we have.

ASSEMBLYMAN HEISINGER: Pardon me, Mr. Lampton, I didn't know that some of the fellows on the road were in grammar school.

MR. LAMPTON: I didn't mean of the age, but I mean that they were ordinary patrolmen—

ASSEMBLYMAN THOMAS: Mr. Chairman?

CHAIRMAN HOLLIBAUGH: Yes, Mr. Thomas. After Mr. Thomas, we will have a recess if Mr. Lampton doesn't mind.

MR. LAMPTON: No, no.

ASSEMBLYMAN THOMAS: I am sorry that I did not hear a great deal of your testimony because I was in another committee. You might have answered these questions, but I would like to clarify something in my mind, that is, has the department endorsed the increased registration fee from $3 to $6?

MR. LAMPTON: I feel, Mr. Thomas, that the question of the amount of the fee is purely a question of policy in the laps of Members of the Legislature. In other words, our department is an administrative one. It makes no difference to us whether the registration is free or $10.

ASSEMBLYMAN THOMAS: And will your answer be the same if I would ask the same question about the cost of driver's licenses?

MR. LAMPTON: I made just a little different answer in that question. My statement was to the effect that I personally believe that we should collect a sufficient amount of money from the drivers to pay for a competent, thorough, and full examination.

ASSEMBLYMAN THOMAS: Now, if that were true, what in return would the department give to the licensee in respect to a license—just give the examination and the license—driver's license? Have you any particular license in mind that you would give the driver?

MR. LAMPTON: We were contemplating giving the same kind of a license we have been giving now. There are two or three bills in which it might require a photograph of the driver, which, I believe, also is a legislative policy.

ASSEMBLYMAN THOMAS: Have your—does your department take any active part in endorsing that legislation which is now pending?

MR. LAMPTON: No, we haven't endorsed any legislation.

ASSEMBLYMAN THOMAS: In your opinion, do you think that it is advisable to have a photograph of each driver on the license that is issued by the department?

MR. LAMPTON: Well, that is another question of policy—if you wanted my opinion—

ASSEMBLYMAN THOMAS: I mean, I am asking just your opinion, for better management and better operation of the Motor Vehicle Department.

MR. LAMPTON: The peace officers all over the State of California want the picture on the license. To me, I believe that you are obliging or compelling 3,500,000 people to go to considerable trouble and expense to provide a picture in order that the peace officers might be able to recognize some known criminal. However, that is purely a question of policy.

ASSEMBLYMAN THOMAS: Would it be feasible to photograph the applicant when he applies for a driver's license?

MR. LAMPTON: There would be only two ways that we could proceed, Mr. Thomas, one would be to provide the necessary photographic equipment in each of our offices, and that, of course, would be impossible in the 186 places where we are now giving that service. We would have to confine it to a place where the volume of applicants was heavy enough to justify a photographer being present, or oblige the citizen to go and have a picture made of a given size, such as they do for passports.

ASSEMBLYMAN THOMAS: The reason for this line of questioning is to see what the people who give the Motor Vehicle Department these increased registration and drivers' license fees would get for it. That is the reason I am asking these questions. Another question: How many licensees make application for renewal of licenses because they have either lost the license, or it has been destroyed or obliterated so it could not be properly identified?

MR. LAMPTON: Quite a few lost them, I don't know how many people couldn't satisfy the examiners as to their identification. At any rate they merely apply for a new license and if their license that we have is valid, they pay a fee and we give them one.

ASSEMBLYMAN THOMAS: Would it be more feasible for your department to issue some kind of material which would not be so liable to destruction—some kind of a material which would be more substantial to the licensee?

MR. LAMPTON: That would be desirable, but our present method of turning out driver's licenses is a photostat system, and I don't know what better material we could get, and still use that system. Might have

to change the entire system—if something like plastic—that would cost a considerable amount of money.

ASSEMBLYMAN THOMAS: It would cost more than paper?

MR. LAMPTON: Quite a bit more than paper.

ASSEMBLYMAN THOMAS: That is all—Commander Cooke just gave me his—Cooke was in the Navy—his identification license. What I am driving at—I should like to ask you this one question: Should the officers or the courts know the various times that the applicant has violated the Motor Vehicle Code—should there be something on this license, such as, we have a traffic violation, and he gets a little hole punched right on there, on this card—

CHAIRMAN HOLLIBAUGH: Just a moment, Mr. Thomas, I can't see where this has anything to do with the highway program.

ASSEMBLYMAN THOMAS: There was a recommendation made for the department, in order to bring about a more efficient operation of the department, and which will call for more appropriations. The increase of $1.50 for a license—for a piece of paper—I want to know what the licensee is getting for his $1.50.

CHAIRMAN HOLLIBAUGH: All right, Mr. Thomas.

ASSEMBLYMAN THOMAS: I think it is bearing on the issue, because if the $1.50 is for a piece of paper and no other service will be given to the owner of the automobile, and from the increase from three to six dollars for registration, and what he will get for a $1.50 card.

CHAIRMAN HOLLIBAUGH: All right, Mr. Thomas. Mr. Lampton, do you want to answer the question?

MR. LAMPTON: I think the question can be answered only one way. The proposed increase was one that would allow the accumulation of funds for the purpose of building some better and needed highways.

CHAIRMAN HOLLIBAUGH: Well, now—

ASSEMBLYMAN THOMAS: Mr Lampton, will the operation of the department—the cost of operating your department come out of the General Fund?

MR. LAMPTON: No, it comes out of what is known as the Motor Vehicle Fund. We collected last year about $40,000,000 and we retained just over $10,000,000 for the support of our department. The rest was all used—returnable to the cities and counties, and some to the General Fund to retire bonds.

ASSEMBLYMAN THOMAS: And after you have spent—what is done with the unexpended amount—does it go under the highway fund then?

MR. LAMPTON: We in our department never have any unexpended funds, Mr. Thomas.

CHAIRMAN HOLLIBAUGH: I will now declare a 10-minute recess.

(Thereupon a recess for a period of 10 minutes was taken.)

CHAIRMAN HOLLIBAUGH: Meeting will come to order. Mr. Ralph C. Dills. Mr. Dills wanted to ask you some questions, Mr. Lampton.

ASSEMBLYMAN RALPH C. DILLS: Mr. Lampton, I want to preface my question by stating that I think a very considerable part of the highways problem is one of enforcement, and I am glad that so much attention is being given to that problem by the department, and I also want to say to you that I am one of those who will back any legislation, either special or regular session, to give you more money. Now, do you think that it would be advisable, assuming a $1.50 operator's license fee were passed,

that it would be advisable to earmark the moneys which were derived from that source for examinations and enforcement purposes solely?

MR. LAMPTON: Well, I still think, Mr. Dills, that that is a question of policy I believe it is perfectly all right to make a charge for a driver's license in an amount sufficient to cover the cost of that department. I don't believe any one would dispute that line of approach, but if you want to make a charge for the support of an additional department, it could be against the registration fee, which it is against now, or it could come from some other source. That, I believe, is the question for the Legislature to decide.

ASSEMBLYMAN RALPH DILLS: Thank you. Prior to your acceptance of the position with which you were handed by the Governor, were you connected with the Automobile Club of Southern California?

MR LAMPTON: Yes.

ASSEMBLYMAN RALPH DILLS: Now, just using that one club as an example, is it possible for me, let's say, as a member of that club, after speeding and getting a ticket, to contact the club attorney and as a part of my service, have an appearance by the attorney—by the automobile club in my behalf?

MR. LAMPTON: I would say it would be possible in rare instances. I believe all they do is to accept your bail. They will accept your check and deposit their check in lieu of your appearance, which becomes a conviction for nonappearance.

ASSEMBLYMAN RALPH DILLS: And actually what happens is that the forfeiture of bail is simply a device for paying the fine and you don't have any further bother with the question, isn't that right?

MR. LAMPTON: Just the difference that if you gave your check to the automobile club, they would appear and deposit for you, or you yourself could go to the clerk of the court, deposit your bail and not appear and forfeit it. It would be exactly the same position, simply someone is giving you that little service there.

ASSEMBLYMAN RALPH DILLS: That is correct. Now, as an individual and not a member of your club, I could mail in, for instance, a $5 bill for a speeding ticket, or any kind of a traffic violation, and that would be all that would be required of you?

MR. LAMPTON: Well, yes. I have received many telephone calls in my office here from even visitors from out of state, stating that they had received a violation, we will say, in Solano County, and they are on their way to the East, and they want to know about it, and I would look up the name of the justice there, and tell them to write a letter and ask the amount of bail and tell the circumstances, and those people have paid their fines in that manner.

ASSEMBLYMAN RALPH DILLS: Now, that is no particular inconvenience to anyone who has been given a traffic violation, is it, other than the fine inconvenience?

MR. LAMPTON: It would be no inconvenience. I haven't had a traffic violation since 1922, and I'm knocking on wood now.

ASSEMBLYMAN RALPH DILLS: You are to be commended. At any rate, the point here is that under the present method of giving traffic violations, a person that gambles on the fact that he won't get a citation and drive pretty fast, in other words, exceed the speed limit, and do other violations of our Vehicle Code, and with the knowledge that all the inconvenience to him, if he is caught at all, is just that he has to pay a fine.

Now, what do you think of having a bill to require a personal appearance on the part of these violators—appearing before the court—

CHAIRMAN HOLLIBAUGH: Mr. Kirkwood.

ASSEMBLYMAN KIRKWOOD: Are these questions germane to the subject?

CHAIRMAN HOLLIBAUGH: I have been wondering myself. I thought it would be short enough.

MR. LAMPTON: I think the question could be answered, Mr. Chairman, this way: By the statement that last year fines and forfeitures in the State of California amounted to $500— or $5,000,000. I don't know how the courts could take care of it unless they were greatly expanded.

ASSEMBLYMAN RALPH DILLS: Well, it just occurred to me, and I will close then—probably if we required a personal appearance at Podunk or some other place, and not have an automobile club or some other person to appear for him, he might slow down and we might not have all the fatalities we have now, which seems to me to be a very pressing problem and certainly touching on the program we are considering now.

MR. LAMPTON: He could get a lawyer to appear for him.

ASSEMBLYMAN RALPH DILLS: Yes, he might, but if we made things a little harder, that would also be taken care of.

CHAIRMAN HOLLIBAUGH: You may be excused, and I wish to express the appreciation of the committee in taking your time today, and I know that we have gotten a lot of good out of your appearance.

MR. LAMPTON: Thank you, Mr Chairman, and gentlemen of the committee, I appreciate the opportunity of coming here and renewing my acquaintanceship with some of you old-timers, and also, I met some for the first time, one or two of the new legislators, and I want you to know that my office will do anything possible over there for you, and our staff is available for you to give you any information you want, and will cooperate with you at every opportunity and every request.

CHAIRMAN HOLLIBAUGH: We know you will and we appreciate it, Mr. Lampton.

The next gentleman for this afternoon, I think, Mr. Vickery, is that right? Mr. Vickery of the Department of Public Works. He has been here two or three days now. He has answered some questions and some of the members wanted to ask Mr. Vickery these questions. Mr. Vickery, if you will take a microphone, we will appreciate it.

MR VICKERY: Mr. Chairman and gentlemen: I have no statement to make prior to whatever questions you ask.

CHAIRMAN HOLLIBAUGH: There were some questions asked the other day of Mr. Purcell, and he was not prepared to answer them, and he referred some of the boys to you, so I don't know—that is why I had you up today. Mr. Kirkwood?

ASSEMBLYMAN KIRKWOOD: Mr. Vickery, I would like to ask—I don't see Mr. Robertson here now, but I would like to clear up a point in my mind which is along a general line of questioning that I was interested in. He referred specifically to—to a highway outside of Sacramento here, and the increased estimates of cost of acquisition of right of way. I believe that is the particular question that he had in mind. I am curious in that question, as bearing on the general problem of the cost estimates of the highway program. I don't know but that maybe seeing that particular piece of road has been brought up, that it would be worth

checking, as to the reason for the difference in that particular case and seeing whether that is a thing that crops up in other parts of the highway program. Do you know the reason for the seven times greater estimate?

MR. VICKERY: I think, Mr. Kirkwood, that the difference in cost in a particular project is the same as the difference in cost of practically all of the projects in the two prior reports. The first report was made up in 1943, during the war, and conditions were entirely different from what they were in 1946. There was a very material increase in traffic and right-of-way conditions have changed materially between the two times. There has been quite a large development along the main line highways of improvement and many places in the 1946 program requires wider rights of way than were contemplated in 1943, and we have found since we have started construction work on the portion of the program that was included in the 1943 report, that some of our estimates as to that report were entirely too low, even on the basis of 1941 prices. It would be rather difficult to take any particular project and go into the details of that project without a lot of data on hand. Generally, the situation in regard to those projects on those two reports—

ASSEMBLYMAN KIRKWOOD: In other words, there were, that is, between the reports and different instances—changes—Mr. Robertson can pursue that one if he wants to. He has come in, but in general there were cases in which the width of the right of way suggested or proposed was increased?

MR. VICKERY: That is true.

ASSEMBLYMAN KIRKWOOD: That was due just to a difference in cost or also a difference in projects?

MR. VICKERY: In many instances. In that particular case I believe we changed the type of design from that in 1943 to what it is in 1946 That is, in 1943 on quite a few of those projects, we figured on adding one lane or two lanes to make an ordinary four-lane highway, and on the basis of 1946, those projects are being developed on the basis of controlled access, or more on the expressway principle, than just a four-lane highway.

ASSEMBLYMAN KIRKWOOD: In 1946—43, had you projected ahead for 10 or 15 years?

MR. VICKERY: No. In 1943 the report, as I stated the other day, was the tabulation of accumulated critical deficiencies up to the beginning of the war. It was not projected in the future at all.

ASSEMBLYMAN KIRKWOOD: I don't mean in that sense. When you meet a critical deficiency under that program, the highway, or the cost of building the highway, to meet that critical deficiency, do you include a projection to the extent that it would meet the need of that highway for 10 or 15 years, and not just the traffic needs at that time?

MR. VICKERY: That is right. The highway multiple lane construction is done that way to some extent. In many cases we have developed four-lane highways now. There has been quite an increase in traffic.

CHAIRMAN HOLLIBAUGH: I believe Mr. Geddes is—all right, Mr Robertson.

ASSEMBLYMAN ROBERTSON: I am interested to know why you always refer to this as the 1941-43 Report Now, the transcript shows a request of the Collier committee dated the twenty-fourth day of September 1945. In which the Collier committee requested your department to submit

this report and reading from that request, "it is requested tabulations be revised, if necessary, to reflect any changes by reason of increased cost of the work to be done." Now, that request was made on September 24, 1945, and on October 28, 1945, your department, through Mr. Grumm, submitted this report and from the transcript Mr. Grumm said on September 24, 1945, that he would like a little time to get it completely down to date. He said this report shows $635,000,000, and it is possible it will go up to 68, or I mean, $680,000,000 or $900,000,000 Then on October 28th Mr. Grumm, again appearing before that body, said this was a complete report up to that date of the estimated cost of needed deficiencies or major construction.

Now, as a matter of fact, I am really interested in knowing if I can rely on this report, or if, as a matter of fact, Mr Grumm is wrong, and this report was a 1941 report.

MR. VICKERY: The report was a 1941 report that was made in 1945 and was originally submitted to the McCormack Fact-Finding Committee, of which Mr. Collier was a member of that committee. The same report was submitted to the Collier committee at a later date, but in more detail.

ASSEMBLYMAN ROBERTSON: In 19—October 28th it was submitted and expanded in 1945?

MR. VICKERY: The submission of the report to the McCormack committee giving in detail all that was completed at that time, but totaling nine reports and figures that were furnished the Collier committee in 1945. Now, there was changes made—two major changes He raised it from $635,000,000 to in the neighborhood of $690,000,000, because we included that—at that time an estimated cost of widening the state highways. That is those that were less than 20 feet in width, which we made at the request of the Collier committee, and some of the members of the committee, and at that time too, we had some Division of Highway costs running to about $10,000,000. The combination of those two figures produced the figure in the neighborhood of $690,000,000.

ASSEMBLYMAN ROBERTSON: That is correct, but $290,000,000 is estimated October 28, 1945. Was a report as of that date and the complete report of the estimated cost of that date, was it not?

MR. VICKERY: No, the report was not changed.

ASSEMBLYMAN ROBERTSON: Then the statement that I have read to you from Mr. Grumm is not correct. Was it or was it not a complete report as of that date? You notice that all the figures given here by the Downtown Business Men's Association of Los Angeles, the State Chamber of Commerce, and every one of the other groups of people that were represented by Mr. Petree all make and call attention to that report and considered it a complete and conclusive report as of October 28, 1945.

MR. VICKERY: Well now, I think, Mr. Robertson, the people that your people are making that up on estimates on the basis of that report made —made their basis on the estimates of the Kennedy Commission, which is the report submitted by the Kennedy Commission.

ASSEMBLYMAN ROBERTSON: Not according to this. It is very direct. I went and got a copy of the report and showed it to you and then showed it to Mr. Petree, and he said this is the report upon which his figures were based.

MR. VICKERY: Evidently—

ASSEMBLYMAN ROBERTSON: You cannot testify then, and I won't pursue it any further, Mr Vickery, you can't testify as to that then?

MR. VICKERY: Yes, I have testified to you what report it was, I have given the testimony as the truth.

ASSEMBLYMAN ROBERTSON: Oh, I understand that—

MR. VICKERY: The report was the estimate which was made in 1943.

ASSEMBLYMAN ROBERTSON: Then a report was filed, Mr. Vickery, as of January 19, 1947. Now, I was interested to know, for instance, you know something about the real estate market, I presume, and is it now your opinion that on October, 1945, the real estate market was about as high as it went? It has been sliding since to some extent?

MR. VICKERY: I am not qualified to testify on real estate.

ASSEMBLYMAN ROBERTSON: But isn't that the experience of your department, that it has slipped a little since October, 1945?

MR. VICKERY: No, I wouldn't want to answer that question either affirmatively or negatively. I am not qualified to answer it.

ASSEMBLYMAN ROBERTSON: Then referring, and the head of your department said that you would be glad to testify on this, just for instance, to a Route—Route 11B, seven and six-tenths miles, Sacramento to Mills, four lane divided—four lane divided. Now, that is shown in both of these reports under exactly the same designation, which is Route 11B, seven and six-tenths miles, Sacramento to Mills, four lane divided. Now, I note that in your report of October 28, 1946—I mean 45, you stated the cost of right of way was $30,000, and from your report of January, 1947, which is 14 months later, you estimated $215,000. Now, do you think that real estate values have gone up 750 percent in those 12 months?

MR. VICKERY: Well, as I told you before, Mr. Robertson, the original report was made in 1943, not in 1945, and the latter report was made in 1946, and I testified also a moment ago that it was found that many of our estimates on the 1943 report were low, even as based on the 1941 prices, and conditions have changed materially in the 1946 report and in many instances, this being one of them, getting a wide right of way now, as proposed in 1943, there have been considerable developments along the road.

ASSEMBLYMAN ROBERTSON: Now, then, this report wasn't brought up to date, then, when it was filed to the Collier committee?

MR. VICKERY: No, it was not quite brought up to this point.

ASSEMBLYMAN ROBERTSON: I know, but Mr. Grumm testified to the Collier committee that that was brought up to date. Now it doesn't make sense.

MR. VICKERY: Well, Mr. Robertson—

ASSEMBLYMAN ROBERTSON: Just doesn't make sense. Now, then, let's go on to the cost of construction since October 28th and January, 1947. Mr. Purcell, I think, testified that between 1941 and 1947, the cost of construction had gone up between 50 and 60 percent, is that correct?

MR. VICKERY: That is correct, yes.

ASSEMBLYMAN ROBERTSON: Then why in your estimate on this same little right of way do you estimate the cost of construction as about—of October 28, 1945 now—exactly described in the same way, exactly the same idea—from $375,000 to $935,000, which is approximately 300 times as great, instead of 50 or 60?

MR. VICKERY: Only thing I can say is going back and repeating my testimony that I have given. Our figures and estimates in 1943 were in many instances too low, even on 1941 prices, on the basis of 1946 estimates, we are, in many cases, building a different type of facility.

ASSEMBLYMAN ROBERTSON: But these two—this particular one is the same type of facility.

MR. VICKERY: Not necessarily.

ASSEMBLYMAN ROBERTSON: Well, now, what changes have been made on Route 11B, between October 28, 1945, and January, 1947?

MR. VICKERY: As to the exact changes made on that route, I don't know.

ASSEMBLYMAN ROBERTSON: You don't know?

MR. VICKERY: No, I do not know.

ASSEMBLYMAN ROBERTSON: Mr. Purcell doesn't know either. Do you know of anybody in your department that does?

MR. VICKERY: I think probably you couldn't get much more information than you have now.

ASSEMBLYMAN ROBERTSON: Well, let's turn to another which you can probably remember very easily—Route 4B, 13.6 miles, McDonnell Subway to Sacramento, four lane divided, described exactly the same in both reports now, as of October 28, 1943, you estimated the cost of acquisition at $63,000, and as of January, 1947, $470,000. Do you think there is that much change in that time in the cost of those rights of way?

MR. VICKERY: There undoubtedly is. Now, I would like to make one further statement on that particular project, that is that we do not buy that right of way ahead of time. We will pay double for it in another two years—it will go up again. The right of way on these projects develops very rapidly, and when we go out the cost is quite a lot of money.

ASSEMBLYMAN ROBERTSON: Now, then, the cost on that, you estimated first at $876,000, and the second one at $2,290,000. That is nearly 300 percent. Now, should your, under any circumstances, Mr. Vickery, should your estimate vary more than 50 or 60 percent?

MR. VICKERY: Yes, we have found that in cases of those jobs where estimates were made in 1941 that your prices—actual cost of the jobs raised materially. I will point to a job, which is down around Ventura, which is now under construction. That job has cost a lot more money than was estimated in 1941 because it is an entirely different kind of project. That is another controlled access of the main highway.

ASSEMBLYMAN ROBERTSON: Now, these—then all the conclusion I can draw is that you're entirely erroneous in your estimates of October 29, 1945, but that your estimates of January, 1947, are entirely correct?

MR. VICKERY: No, I didn't testify to that fact. In the first place, Mr. Robertson, we have no estimate of October, 1945, but let me repeat, those reports are 1943, based on 1941 prices, and the best estimate we could make at that time.

ASSEMBLYMAN ROBERTSON: Now, may I call your attention, Mr. Vickery, maybe you are the one who has been deceived. I think probably so, because the Collier committee requested as of September 24, 1945, for this report and asked that it be revised, if necessary, so as to reflect any change by reason of increased costs of work to be done, that on September 24, 1945, Mr. Grumm—who is Mr. Grumm?

MR. VICKERY: Mr. Grumm is sitting over there. (Indicates.)

ASSEMBLYMAN ROBERTSON: He is an official in your department?

MR. VICKERY: That is right.

ASSEMBLYMAN ROBERTSON: And he is a very responsible official?

MR. VICKERY: Yes.

ASSEMBLYMAN ROBERTSON: —testified that he needed a little further time to do this, but that he would do it, and then he comes in on October, 1945, on the twenty-eighth, and says he did it, it is all done, it is all correct, and files it. Now, I guess you and I have both been deceived?

MR. VICKERY: That may be, Mr. Robertson, but I don't think I am.

ASSEMBLYMAN ROBERTSON: We have possibly been deceived. Somewhere we will have to pass the buck along, and Mr. Grumm and me—but do you see any reason why the cost of acquiring land between 1945 and in October of this year should be seven and a half times as great?

MR. VICKERY: Well, as I repeat again, Mr. Robertson, I will just have to repeat what I have told you before, that conditions are changing and they are changing very rapidly, and if we do not buy the right of way very quickly on these two projects, we are very likely to be having to pay 100 percent more.

ASSEMBLYMAN ROBERTSON: And also the construction of the both—you testified it doesn't vary more than 50 or 60 percent between 1941 and 1945, and the present time. Why is it that your figures will go up sometimes 300 percent?

MR. VICKERY: It is a different type of highway.

ASSEMBLYMAN ROBERTSON: No, no. They are described exactly the same in the two reports

MR. VICKERY: And if we wait—

ASSEMBLYMAN ROBERTSON: We didn't take any other but those described exactly alike We wanted to get the ones that were described exactly the same—in other words, your first estimate that you put in a bum estimate—

MR. VICKERY: I told you in the beginning that the first estimate we found later was entirely too low on 1941 prices, the 1946 estimate was the best estimate we could make at that time.

ASSEMBLYMAN ROBERTSON: Well, you and I will agree that it is a pretty darn tough thing for the Legislature to know which is right and why, is that right? (No response to the question.)

CHAIRMAN HOLLIBAUGH: Mr. Geddes is next

ASSEMBLYMAN GEDDES: Mr. Vickery, the other day Mr. Purcell was testifying and he was getting quite anxious to leave and some of the committee were also getting a little anxious to leave. He said as to some matter that he didn't have at his fingertips, or time, to give us—that you could testify and more or less in effect, speak for him, is that correct?

MR. VICKERY: I believe he did say that.

ASSEMBLYMAN GEDDES: Well, then, I want to get down to this: I listened to Mr Purcell's testimony and it revolves itself in the present instance to practically this statement—this statement summarizes it, that if the Legislature would just get busy and provide this two billion or one million eight hundred million, or some figure which in effect is just plenty of money, that the Highway Commission could get busy and give us highways to save this terrible loss of life and to provide traffic lanes

for the increasing number of automobiles that are going to be used on our highways. Do you think that is a fair statement?

MR. VICKERY: I don't think Mr. Purcell made a statement like that. I believe Mr. Purcell recommended to you that you provide an amount of money that would provide a construction program of $75,000,000 a year, and that would probably take an increase of two cents of gas taxes. He told you that with that money we could not correct all the deficiencies that will come up in this 10 years, but we could go a long way for providing adequate highways.

ASSEMBLYMAN GEDDES: And yet, we have been trying to find out—Mr. Robertson has been trying to find out—where are you going to spend this money, what are the actual costs so that we could answer these three questions: What, when, and where.

MR. VICKERY: We have given you a list of projects on the State Highway System which we consider to be deficient, and some of them critical deficiencies, details as to where they are, type of construction, and the best estimate of cost at this time.

ASSEMBLYMAN GEDDES: I didn't get the list.

MR. VICKERY: We have already given you the best estimate that we can make for you at this time.

ASSEMBLYMAN GEDDES: Then we will come back to that in Mr. Purcell's statement that have been repeated by others. I will say they are carbon copies, one prepared statement of another, but they all have a very familiar ring. First of all we are going to be $40,000,000 short of highways that are critical deficiencies, that in effect, that if we had $100,000,000, it would be put immediately to work in a great part of the critical deficiencies, and they could be relieved?

MR. VICKERY: That statement that you have made is approximately correct. What we told you was that we would have plans prepared to the extent of $40,000,000 more than we can finish next year.

ASSEMBLYMAN GEDDES. All right, then, if we got $40,000,000, you have plans prepared, estimates made, and we could go ahead and do that much work?

MR. VICKERY: That's right

ASSEMBLYMAN GEDDES: Then this additional fund of $100,000,000 in a very short period of time you can give us where, and when that would be done?

MR. VICKERY: We have given you a list of those projects—not of the hundred million, but a list of the forty.

ASSEMBLYMAN GEDDES: But you could give a list of the hundred million?

MR. VICKERY: That is right, we could give you those.

ASSEMBLYMAN GEDDES: How much of a problem could be taken care of, say on Highway 99 and Highway 101, the two major north and south routes between Los Angeles and San Francisco, and Los Angeles to Sacramento out of that $100,000,000? Most all of it?

MR. VICKERY: I couldn't tell you off-hand whether all the remaining sections of those highways on 101 or 99 are all included in that $100,000,000 or not. I would have to examine that list.

ASSEMBLYMAN GEDDES: Are any of those included in the $40,000,000?

MR. VICKERY: Yes.

ASSEMBLYMAN GEDDES: Some of those are included there?

MR. VICKERY: I might go ahead and tell you, Mr. Geddes, that the deficiency report of 1946 shows $275,000,000 of highway that should be widened to multiple lane, and that included all of 99 and all of 101

ASSEMBLYMAN GEDDES: And that would be a considerable relief, including freeways, and that would be considerable relief to the north and south traffic, is that right?

MR. VICKERY: That is right, those highways, 99 and 101, are part of the freeway system.

ASSEMBLYMAN GEDDES: One further question: What relation is there between the Kennedy Report, the Lindman Report, and the estimates made and furnished at the request of the Collier committee. I am asking these questions because I know the make up of the Collier committee as far as the Assembly side is concerned We have Charles W. Stream, who is no longer with us; Michael Burns, who unfortunately is ill; Don Field, who is here; Gerald P. Haggerty, who is not with us; Charles W. Lyon, who is not with us; Bernard Sheridan, who has been here only a day or two; Frank Waters, who is not with us; therefore, this committee that is meeting now is trying to find out some things that might be submitted to us, and we might have something ourselves, but that we don't have to take dictation from the Senate in any particular bill.

This California highways problem which was assigned to us January 13th. Now, we got it on that date, but that doesn't mean that we had any prior knowledge of it, and yet the publicity that was started on this and has built up Some of this started long before the Collier Committee's Report was ever published. That is why any original question, I wanted certain conclusions, but what cooperation is there between them and how does one's report base on the other?

MR VICKERY: You are talking now of the Kennedy and Lindman Report?

ASSEMBLYMAN GEDDES: Your 1945 estimate and the 1946 estimate and the Deficiency Report No. 1, and Deficiency Report No. 2, and such other revised estimates that led Mr. Collier to introduce an amendment to the bill to raise the gas tax to 6 cents, and say we won't get done for 30 years?

MR. VICKERY: I will see if I can straighten them out for you, Mr. Geddes. I can tell you the situation as I understand it.

The Kennedy Report: Mr. Kennedy and his group of engineers accepted our 1943 Deficiency Report as the accumulated deficiencies up to the beginning of the war. In other words, they didn't go back of that date. Now, they made their own estimates of traffic increases, and in the future, I believe, for a period of 10 years, or something like that—I believe it was 10 years, and from their estimates of traffic increases and from the information in our files in the Highway Planning Commission they made an estimate of the number of lanes, the number of highway miles that would be necessary to expand to multiple lanes in the interim, and they show in their report on page 114, 436.6 miles and on page 150, 412.1 miles, making a total of some 830 miles, I believe it is, that would be necessary to expand to multiple lane—850.7 miles that would be necessary to expand to multiple lane within the period of 10 years.

Now they estimated the cost of expanding that 850 miles to multiple lanes on the basis of our 1943 report. Then from tabulations and formulas developed by the Public Roads Administration, they made an estimate of the cost of replacing, that would be necessary on the balance of the system over the 830 miles within the period of 10 years.

Then they had three figures—they had the total of our 1943 Deficiency Report, they had the cost of expanding the 850 miles to multiple lanes, and they had the cost of necessary replacement on the other parts of the system. Now, they took those items and expanded them by an increased cost factor, which they developed, and which shows in their report on page 113.

Now, I have not been able to find in their report one figure that would give what they figured that expansion to be, but I have estimated it as near as I can on the basis of their report, and I find that to be one point two billion, approximately. In other words, they figured the deficiencies on the highway as the basis of their report as one point two billion. That is the figure as near as I can make it out. Now, our 1946 deficiency rate was not a part of it, and had nothing whatever to do with the Kennedy Report. It was made after the Kennedy Report was made.

ASSEMBLYMAN GEDDES: Did you base on the Kennedy Report at all?

MR. VICKERY: No, we did not base it on the Kennedy Report at all.

ASSEMBLYMAN GEDDES: You would say then, outside of the Kennedy Report basing on your 1943 accumulating deficiencies prior to the war, and then they proceeded from that—from there on what was an independent survey of the situation?

MR. VICKERY: It was an independent survey made of theirs. Our 1946 report was made beginning as of next July 1st. In other words, we did not include it in the 1946 report any item or estimated cost of work that is contracted prior to next July. Now, we went back, we made then an estimate of future traffic over a period of change.

We took our traffic records and determined the number of miles per section that should be extended to multiple lanes, then we examined into those sections on the ground as to the cost of necessary expansion and instead of making an estimate, as they did, of replacement cost, we actually examined into those sections also, so that the 1946 report of ours is based on actual conditions as they appear on the ground.

At this time, we are making the best estimate that we can make—that we are able to make—of the cost involved. It just so happens that their report, Mr. Kennedy's Report, as I analyzed it, would be one point two billion where ours comes to one point four.

ASSEMBLYMAN GEDDES: So that point in there means two hundred millions?

MR. VICKERY: There is another point there that I might make, that while they estimated 850 miles of highways necessary to be expanded to the four lanes, we found there was something over a thousand—a difference between eight fifty and ten fifty.

ASSEMBLYMAN GEDDES: Then the difference between those two figures would be largely reflected in the difference of $200,000,000, isn't it?

MR. VICKERY: Let me make this point; Mr. Geddes, that this in both reports, the 1943 report and 1946 report as well, the great preponderance of cost was represented by expansion to multiple lanes.

ASSEMBLYMAN GEDDLS: Well, I see—

MR. VICKERY: The two most important deficiencies in those was that of bridges and the great cost involved in the expansion program.

ASSEMBLYMAN GEDDES: Now, you have heard the previous testimony this afternoon. You saw this—we dwelt at length on safety factors, which could more or less be regulated by policing of the highways and elimination, I think, of drunken driving, and proper education of the public. That is one way of considering to eliminate part of the accident rate. Then, the quickest, surest way, and most immediate way, would be to not build super highways, but to expand present two- or three-lane to multiple or double lane highways, sufficient to take care of the traffic.

MR. VICKERY: Now, let's you and I understand each other on this matter of expansion to multiple lanes. The expressway system may mean the same thing that you mean by super-duper highways and expanding all of these highways to multiple lanes. Now, we are working on them now, on the basis of controlled access, multiple lanes, with division strips.

ASSEMBLYMAN GEDDES: Such as making them limited access highways?

MR. VICKERY: That is right. If you have been between here and San Francisco recently, the road just opened is a typical example of what we mean by expanding to multiple lanes.

ASSEMBLYMAN GEDDES: That's right, but on the other hand, we have a very large number of accidents. It is very slow driving between Bakersfield and Stockton, particularly, because of the condition of the Highway 99, and whether or not that was closed to access, the road would be much safer and more or less speedier to drive if we just had two-lane highways throughout the whole way.

MR. VICKERY: There is no question about that.

ASSEMBLYMAN GEDDES: That is all I have.

CHAIRMAN HOLLIBAUGH: Mr. Waters, I believe?

ASSEMBLYMAN WATERS: Mr. Vickery, the other day in a quotation in the *Sacramento Bee,* Mr. Purcell stated, "That the present provisions of Senate Bill No. 5, the revenue raising features particularly, would provide some $64,500,000 a year." The next page in another article, Mr. Zettel, another tax expert, stated that, "under the present Senate Bill No. 5, the revenue raising aspects of that bill would, in 10 years, produce some two billion, one hundred million. Two hundred ten million a year on an average." I wonder if probably you could offer a reconciliation between sixty-four million five hundred thousand—

MR. VICKERY: I will try to, Mr. Waters. I think the statement that Mr. Purcell made, although it may not have been exactly so in the *Bee,* that the Senate Bill No. 5 would raise $64,500,000 in new funds, that it would be providing for a construction—new construction program of sixty-four million. Mr. Zettel had in mind all the money that would be raised by Senate Bill No 5 over the period of time.

ASSEMBLYMAN WATERS: You agree with Mr. Zettel then that we would need—

MR. VICKERY: There is, I think, no question but Mr. Zettel's estimate is the best estimate that can be made at this time about the total amount of money to be raised by Senate Bill No. 5.

ASSEMBLYMAN WATERS: Getting down to this critical deficiency definition—does the department have a definition of what is a critical deficiency? Do you have a formula that you apply to a given spot?

MR. VICKERY: Yes, we do, Mr. Waters. The term 'critical' dates to the time we made this first report for the McCormack Fact-Finding Committee We defined a critical deficiency as being the portion of the highway, because of some marked deficiency, or an urgent need of improvement or replacement, and we restricted that to projects which were, because of actual deficiencies, warranted immediate consideration. In other words, the critical deficiency is something that, because of some particular fault in highway, are deficient and requires attention or immediate correction.

ASSEMBLYMAN WATERS: Now, Mr. Purcell—it was my interpretation of his testimony the other day, that he distinguished between the critical needs and the deficiencies, is that correct?

MR. VICKERY: That's right.

ASSEMBLYMAN WATERS: Now, what is a—

MR. VICKERY: Mr. Purcell, I am sure made this statement: I am sure that he made this with this in mind: There is a difference between that project which is immediate, and which should have immediate attention, as compared with that project which will provide adequate traffic capacity in 1956. Now, in 1946 critical deficiency report, we have made, take into consideration an expected increase in traffic up to 1956. We have included in that, for instance, all sections of highways, as near as we can, needing widening to multiple lanes within that 10-year's period. Now, naturally, the highways should not be widened because of traffic conditions until five or six years from now, and cannot be considered critical at this time.

ASSEMBLYMAN WATERS: Then to clarify it in my mind, your first critical deficiencies report included only those items which were, in your opinion, should be accomplished immediately?

MR. VICKERY: It included only those items which should have been done before that time. We included in the 1943 report only the projects which should have been built prior to the war.

In other words, it was the accumulation up to the time of the war —at that time the $635,000,000 in the red.

ASSEMBLYMAN WATERS: That is October 28th?

MR. VICKERY: No, no. This report was made in 1943, on the basis of 1941 traffic, and was the accumulation of deficiencies up to the war. You know that practically stopped construction on the highways.

ASSEMBLYMAN WATERS: Now, was the report submitted on the McCormack committee?

MR. VICKERY: To the McCormack committee, and this report here.

ASSEMBLYMAN WATERS: Now, what is the difference here, if any, between that report and the report submitted on October 28, 1945?

MR. VICKERY: The only difference between it and the report in 1945 that was given to the Collier committee, it was a detailed report. In other words, we gave them the location and the cost, the same as you have in this book here. The only data that we gave to the McCormack committee on the basis of cost is confined to one page, which is a tabulation

of the totals. We gave the Collier commttee the report, and gave them the same that you have now in 1946.

ASSEMBLYMAN WATERS: Well, it is a detailed break-down?

MR. VICKERY: That's right. You have a copy of it. It was given to us in this form, the same as the report shown; now, the estimate of cost given to the Collier committee is the same as those given the McCormack committee, except at the hearings of the Collier committee it was brought out that there are many miles of highways less than two lanes—less than 20 feet, which should be widened, and they asked us to make an estimate of those roads. The best estimate that we would make at that time was $50,000,000. We had very little time to make an estimate, and we gave that estimate.

ASSEMBLYMAN WATERS: Which is then to be added to the total in that report?

MR. VICKERY: In the submission to the Collier committee, it was added to that.

ASSEMBLYMAN WATERS: Is that figured in that report?

MR. VICKERY: No, this is the report it is, and that estimate of $50,000,000 is not included. It was included in another volume that we submitted to the Collier committee.

ASSEMBLYMAN WATERS: Now, in your January 1946 report, that included all the critical deficiency items, plus the deficiency items?

MR. VICKERY: That is right, up to 1956, that is, it did not include anything that we expected to put to contract by the end of this fiscal year.

ASSEMBLYMAN WATERS: Now, this last deficiency, I don't know how they determine that. The three critical deficiency reports—the third critical deficiency report which was introduced by the Senate Bill No. 5, it was so named here, to this part—the third critical deficiencies.

MR. VICKERY: Well, in the Kennedy Report, they made an estimate of freeways in cities, which they included in their city program in their 10-year program, amounting to $116,000,000. Mr. Collier—the Transportation Committee asked us to determine if we could, where those were. From the information contained in the Kennedy file, we made an attempt to locate those particular freeways. In the Los Angeles area they were pretty well defined, but in the San Francisco area, they were not quite too well defined, and we gave them a list of them insofar as we could determine to the best of our ability, in the San Francisco area. Of course we had to make our own estimates.

ASSEMBLYMAN WATERS: Then the facts in that entire report have been checked by the Division of Highways?

MR. VICKERY: We made the tabulations for them, and we made estimates of freeways in the San Francisco areas, but not in the Los Angeles area.

ASSEMBLYMAN WATERS: You didn't define them in the report?

MR. VICKERY: We simply assumed them as they were.

ASSEMBLYMAN WATERS: You mean in the Los Angeles area?

MR. VICKERY: Well, the both areas.

ASSEMBLYMAN WATERS: In the Los Angeles area and the San Francisco area?

MR. VICKERY: Not the Los Angeles area. We accepted the Kennedy Report as it was. We were able to determine the particular freeways and that needed to be concluded as the San Francisco area is not so easily done, and just exactly what extent they agree with the Kennedy Report, I can't tell you. We did the best we could.

ASSEMBLYMAN WATERS: These freeways, are they critical?

MR. VICKERY: In the cities.

ASSEMBLYMAN WATERS: In the cities?

MR. VICKERY: In the cities I would consider them so.

ASSEMBLYMAN WATERS: But they were not included in the original critical deficiencies report?

MR. VICKERY: They are not on the State Highway System.

ASSEMBLYMAN WATERS: Is it proposed under the present plan that they will be included in the State Highway System?

MR. VICKERY: Senate Bill No. 5 so proposes.

ASSEMBLYMAN WATERS: All right Mr. Vickery. That is all I have, Mr. Chairman.

CHAIRMAN HOLLIBAUGH: Any other members of the committee wish to question? If not, Mr. Ralph Dills.

ASSEMBLYMAN RALPH DILLS: Mr. Vickery, do you have available with you this material here which shows the—

(Exhibits to witness)

MR. VICKERY: No, I don't have a copy of that with me.

ASSEMBLYMAN RALPH DILLS: Are you willing to take my word for certain figures which appear here so that I might or might not show them to you?

MR. VICKERY: Perhaps there is another copy, I don't know.

ASSEMBLYMAN RALPH DILLS: There might be another one here in the room.

Now, according to this report that you submitted as a result—which Mr. Purcell submitted—as a result of a letter, submitted the uncompleted work and present projects projected as shown on page 17 of this report totaled—I better give you the sums, the estimated expenditures to complete it, it is $10,000,000—that is page 17, Mr. Vickery.

Directing your attention to column fourth from the right, estimated expenditure to complete, $10,805,521 is the total State Highway project, is that correct?

MR. VICKERY: That is correct, yes.

ASSEMBLYMAN RALPH DILLS: And then the total access projects, seven hundred twelve thousand, eight hundred thirty, and total F.A.S. projects, forty-two thousand, three hundred forty-two, and for enlightenment, that is—

MR. VICKERY: That is a federal aid secondary system. It is part of the 1944 Federal Aid Act that was restricted to secondary or federal routes, and the action of the Legislature further restricted that to county roads, so that federal aid secondary means that it was given to the counties.

ASSEMBLYMAN RALPH DILLS: Now, that totaled some $10,845,610. Now, in that same report, state highway projects to be placed by the thirtieth of June, 1947, were estimated at $24,779,700. The right of way cost was at $8,875,260, making a total there of $33,654,960. Have you located that particular one?

MR. VICKERY: I think that is on page 3.

ASSEMBLYMAN RALPH DILLS: Yes, if these had been in order numerically, that would be correct. Your attention now to pages 2 and 3, I guess it would be page 3 of that last part of this report, entitled federal aid secondary county highway projects, to be placed under way by June 30, 1947, the federal aid—federal aid secondary said would be $5,484,000. The estimated cost of right of way to complete, $5,601,240. Now the total of all these figures I have given you is $55,557,893.

Is this total estimate—is this the total estimate of all of the outstanding projects that you have in mind for completion by the thirtieth day of June, 1947?

MR. VICKERY: Well, yes, that is correct so far as the date. This was made up, whatever date that was, that was—that is the outstanding balance on the contract, plus the amount to be contracted yet, to be advertised, is the total.

ASSEMBLYMAN RALPH DILLS: Yes, I assume that it must have been true as of February 13, 1947, inasmuch as that was the date of the letter of transmittal?

MR. VICKERY: That is approximately correct.

ASSEMBLYMAN RALPH DILLS: Now, in your budget, the budget of the Highway Department, page 869, that is; there is an item there that shows that there is a capital outlay of $68,181,111. I have that before me, if you care to see that, but is that substantially correct, if you recall the budget submitted to the Governor?

MR. VICKERY: Yes, if you have it there, it must be correct.

ASSEMBLYMAN RALPH DILLS: I assure you it is. Now, totaling that $68,000,000 with the $55,000,000 that I have previously—that we have previously agreed would be to work that should be completed by June 30, 1947, wouldn't that be a total of from some $123,775,004 total work for the year 1947-48?

MR. VICKERY: No, I don't think so, Mr. Dills. You are getting into a very involved subject, the budget—the Governor's Budget—deals entirely with the cash—the outgo of cash. These figures here have to do with the operating budget department. I don't believe I could make a reconciliation on those figures for your benefit on those two figures here this afternoon, nor would I want to say that I could assume, I wouldn't want to make the statement whether it is correct or not. I doubt if it is, but I would have to go in it a lot more to reconcile between the cash showed in the Governor's Budget.

ASSEMBLYMAN RALPH DILLS: That is capital outlay that you state your budget is going to expend?

MR. VICKERY: Even so, I wouldn't want to make any attempt to reconcile those two figures this afternoon. If you want a reconciliation of those figures—of those accounts, why it would take more time and more men than we have here this afternoon to do it.

ASSEMBLYMAN RALPH DILLS: Well—

MR. VICKERY: Reconciling the cash as shown by the Governor's Budget with the operating of the budget of the Division of Highways is a very involved subject.

ASSEMBLYMAN RALPH DILLS: I think that all the Members of the Assembly admit that, but we are trying to break it down to a point where

it is not so involved so that the Assemblymen can understand that, if it is at all possible.

MR. VICKERY: It is possible to make a reconciliation of the cash. The operating budget of the Division of Highways, I believe, so that you can understand it, we have to take as of one particular day. Now, if you want to go into that, I have some tables and tabulations here which I will give you and I will make an attempt to reconcile it for you. It will probably give you a pretty good idea of what the situation is.

ASSEMBLYMAN RALPH DILLS: Well, could you give me on the basis of the reports which you have already submitted to me, and on the basis of $66,000,000 in round numbers, that are reported in the budget, could you then give me the total amount of work that your department intends to do, or that is to say, how much money is to be used for construction during the Fiscal Year 1947-1948?

MR. VICKERY: Well, that again is involved for this reason: Now, we will have a good many contracts at the end of this fiscal year that will not be completed, and payments will still be in the bank there to be paid as those contracts are completed. At the same time we will start letting contracts in July on the next fiscal year, and at the end of that fiscal period there will be contracts not completed and cash carried over, so to tell you how much cash will be spent in the year 1947-48 is involved.

ASSEMBLYMAN RALPH DILLS: Is it an impossible subject?

MR. VICKERY: It is impossible. It is a practical thing to come fairly close on it, but you understand we have many contracts, that with a large contract underway it is impossible to determine, at least impractical, to determine just how much that money will be paid out. Well, we can make an estimate as accurately as we can as to how fast that money will be paid out, and how much will be left outstanding to be paid out in—oh, any particular date. That is what we did on any report. You say on these reports here we estimated the contract expenditures to 64 in the end of June for you and the estimated time to complete, we gave you those two figures. Now, the total of that column there, the estimated expenditures to complete, will probably all be paid out during the next fiscal year, and in addition to that, we will have new contracts under which we will start at the beginning of the next fiscal year.

ASSEMBLYMAN RALPH DILLS: From what moneys?

MR. VICKERY: From the next fiscal year.

ASSEMBLYMAN RALPH DILLS: But not from the sixty-eight millions of dollars that are in the budget?

MR. VICKERY: No, no, there will be no carry-over of money—unobligated money at the end of June—none. That is, not in millions—there will be—

ASSEMBLYMAN RALPH DILLS: There will be plenty of carry-over money, however, that is not expended?

MR. VICKERY: That is right.

ASSEMBLYMAN RALPH DILLS: But it is all obligated?

MR. VICKERY: It is all obligated.

ASSEMBLYMAN RALPH DILLS: It is all under contract?

MR. VICKERY: It is all obligated to contracts.

ASSEMBLYMAN RALPH DILLS: It is not work orders?

MR. VICKERY: It is not work orders—that is the work orders that cover engineering and the purchase of rights of way and that sort of thing,

will be all used. All that money will all be used, exhausted and paid out, but the money due, the contractors will not be paid out during the fiscal year.

ASSEMBLYMAN RALPH DILLS: Well, is any part of the $55,000,000 upon which we agreed, was the total contained in this report to me—is any part of that reflected in the $68,000,000?

MR. VICKERY: Yes, it is.

ASSEMBLYMAN RALPH DILLS: Some portion of it is reflected?

MR. VICKERY: Yes.

ASSEMBLYMAN RALPH DILLS: So that there might be a duplication here?

MR. VICKERY: That is right.

ASSEMBLYMAN RALPH DILLS: So that it would be right for me to figure that for those figures and assume that is the amount of money?

MR. VICKERY: No, it is not.

ASSEMBLYMAN RALPH DILLS: Then we are in a position that we really don't know how much money is available for expenditure during that fiscal year?

MR. VICKERY: Oh, yes, we do.

ASSEMBLYMAN RALPH DILLS: Oh, we know that?

MR. VICKERY: Yes, as near as we can estimate it. It is the estimated income which is a copy of the budget we gave you here the other day.

ASSEMBLYMAN RALPH DILLS: Are your estimated incomes on the basis of the 1941 gas tax revenues?

MR. VICKERY: No, we are making an estimate on the basis of the 1946 gas tax.

ASSEMBLYMAN RALPH DILLS: I beg pardon. With respect to the budget that you presented to the Governor, what year gas tax revenue did you use as a basis of estimate of revenue?

MR. VICKERY: As near as we could estimate it for next year. That is, the gasoline tax, that is, the gasoline—the returns from the gasoline tax during the year—calendar year 1946, produced approximately $23,000,000.

Now, we don't know what it will produce for the fiscal year, we won't know until the last payment is in in April, but the return for the next year we estimated it is $24,800,000 now.

ASSEMBLYMAN RALPH DILLS: Nearly $25,000,000. Now, in addition to that—in addition to what money you have, you state there is forty millions of dollars in much needed work already approved, critical work, which could not be built because of the fact that you didn't have enough money?

MR. VICKERY: That is right. We do not have sufficient revenue.

ASSEMBLYMAN RALPH DILLS: Were those considered critical deficiencies?

MR. VICKERY: They are.

ASSEMBLYMAN RALPH DILLS: In your definition of a critical deficiency, which you gave Mr. Waters a while ago, that critical deficiency is one upon which work was needed immediately, and yet there are in those $40,000,000—in 69 projects, which total to $40,000,000, projects which were approved back in 1944. Why didn't you undertake these programs before you went in to the programs of 1945 and 1946, and some in 1947?

MR. VICKERY: Those projects were included in the $40,000,000, and the projects which we have undertaken since 1945 are all a part of one list of projects which we refer to as the postwar program.

ASSEMBLYMAN RALPH DILLS: But they were critical projects.

MR. VICKERY: They were all critical projects.

ASSEMBLYMAN RALPH DILLS: Do you appreciate what is bothering me? I don't understand why, if it was critical deficiency in 1944, that in, say 1946, the Highway Commission upon your recommendation, would go out and start contracts on other work, and leave that 1944 deficiency just rest there. Now, why was that?

MR. VICKERY: That is right, it hasn't been done, except perhaps in the case of one or two instances. That has not been the practice and that has not been the policy.

ASSEMBLYMAN RALPH DILLS: What, then, is the meaning of that second report which you—that second report here which those contracts opened June 30, 1945 to June 29, 1947—

MR. VICKERY: Those are the days that we opened bids.

ASSEMBLYMAN RALPH DILLS: What page are you looking at?

MR. VICKERY: Page one of the second part of this report.

ASSEMBLYMAN RALPH DILLS: Yes, you opened bids, but you opened them on different projects than those projects which were included in the $40,000,000 program.

MR. VICKERY: They were projects which were included in the original list. That is, the projects represented the forty millions, but the projects on page 1 here were in one list—they were all in the postwar list. Now we have—

ASSEMBLYMAN RALPH DILLS: Well, but let's consider rather that you let contracts—your highway commission—two years before, you said they were critical, and then two years after they let contracts for other areas, which do not include those, and which, apparently, were critical too. I don't know what happened to those projects which were critical in 1944 and why you should not have let them instead of requesting some others?

MR. VICKERY: They were all in the 1944 list. That is, the commission has not advanced any project ahead of the so-called postwar list, except in an instance or two, of very critical conditions that have arisen in the meantime. In other words, maybe I can clear it up for you—

ASSEMBLYMAN RALPH DILLS: I hope you will, because up to now you haven't.

MR. VICKERY: We had a list of projects which we called the postwar construction program, a list of projects approved by the commission during the war and upon which we developed plans during the war, getting them ready for contract.

Now, when we could begin construction work in 1945, we began to let go of those contracts as nearly as we could, letting the most critical projects first. Now, we do not have sufficient money and have had not sufficient money to cover the entire list, but we have not advanced anything ahead of the postwar list of projects except in very minor instances. That clear it up for you?

ASSEMBLYMAN RALPH DILLS: Now you don't—because I still don't see—you don't explain to me why contracts approved in 1946 would take precedence over contracts which were not considered critical—I

mean, were considered critical, and as a matter of fact, were included in the report in 1944?

MR. VICKERY: For instance, what project do you have in mind in 1946?

ASSEMBLYMAN RALPH DILLS: All right, let's take the first one we see here—on page 3. I'll just pick out the first one that we have there—Sweetwater River Bridge, and approaches. Why, for instance—

MR. VICKERY: You are looking on—

ASSEMBLYMAN RALPH DILLS: Page 3 of this—(Indicates) No, that isn't the one I want. Let's take the first page of contracts opened June 30, 1945, I don't think I am going to be able to develop an answer to my question. Yes, though I am just going to pursue this, Mr. Vickery, for it is obvious to me that we are not getting any place. I just want to ask you one other set of questions.

In the 10 years' highway deficiencies program that was recommended by, apparently the Highway Department, a copy of which was printed in the Senate Daily Journal, February 5th, and taking as an example, for instance, Siskiyou County, the county in which Senator Collier lives, and which he represents. We have at page 22 of that February 5th report we have south county, Brown to Springhill, grade and surface, bridges, four-lane divided highway. We have Springhill to Weed, four-lane highways, we have Weed to Gazelle, grade and surface, four-lane, we have in Yreka, a four-lane; we have Gazelle to Yreka, grade and surface portions, four lanes; we have Yreka to the Oregon boundary, grade and surface portions, four lanes. Now this is in Siskiyou County. Would you explain to me the formula which the Highway Department used in determining conversions from these either two or three-lane? I don't know what they were on these roads, but into four lanes now up in Siskiyou County?

MR. VICKERY: The formula is based almost entirely on the traffic count. That is the primary consideration, the traffic, and we consider that with the traffic of 5,000 vehicles per day, we should go to more than two lanes. Now, there were certain instances in which that is not entirely true. That is, we might have a highway carrying 3,500 vehicles per day, and because of the grade in there, we have to afford what we call passing distances—that is, sufficient distance for one car passing another car going in the same direction at the same time, be clear of a car coming toward him, because he won't have sufficient sight distance. When we get into traffic of that volume, we will say, or for example, 3,500 vehicles per day, and we meet those conditions, then we make what we call four-lane section portions. That is necessary, to provide these four lanes so as to provide that passing distance, but in the great majority of cases, the determination is made on the 5,000 vehicle per day volume.

ASSEMBLYMAN RALPH DILLS: That is what you found was the volume of traffic in that area?

MR. VICKERY: In making that determination here in this critical report, we used the 5,000 vehicles per day throughout the State as giving consideration to the traffic to 1956 as near as we could estimate it.

ASSEMBLYMAN RALPH DILLS: Well, it might not in fact be 5,000 in Siskiyou?

MR. VICKERY: It is not 5,000 in Siskiyou.

ASSEMBLYMAN RALPH DILLS: You contemplate it being so?

MR. VICKERY: With those four-lane passing areas?

ASSEMBLYMAN RALPH DILLS: In 1950?

MR. VICKERY: 1956 or some 10 years hence, it might be 5,000. It probably will be 5,000, but the sections there which you have referred to and which you mark as portions, are on the basis of providing the passing areas, the four-lane passing areas.

ASSEMBLYMAN RALPH DILLS: One further question. I haven't run this all the way down, but is there to be a four-lane divided highway perhaps between Sacramento and Los Angeles and Bakersfield? For the entire distance there will be four lanes, some places more than four?

MR. VICKERY: Yes.

ASSEMBLYMAN RALPH DILLS: Why can't we get on the way to that right now, and we have contracts yet to be let in the vicinity of Bakersfield between now and June, and we have plans completed on that for a vast distance. If we had the money to let we would let them tomorrow?

Wouldn't you think that particular highway would be certainly more critical than some of these others that you have already let contracts for?

MR. VICKERY: What particular contract do you have in mind, other than on that road?

ASSEMBLYMAN RALPH DILLS: Well, any number of these that were included in this report which you gave to me here, of contracts that were let, I mean. Of course, that is a matter of policy.

MR. VICKERY: You understand that we are called upon for a certain north-south distribution of money under legislation, and we are also controlled further by the federal aid provisions in the 1944 act, in which we have to earmark certain funds for federal systems, as I spoke about a moment ago, and they earmark other funds for your counties, and then the federal aid, combined with the north-south principle, it takes a couple of Philadelphia lawyers to get that money allocated to the best advantage.

ASSEMBLYMAN RALPH DILLS: We could use a couple for this committee right now, too. If we had, I'd call them. I think you are doing pretty well. Would it be possible?—

MR. VICKERY: And I might say, Mr. Dills, that this—

ASSEMBLYMAN RALPH DILLS: I wanted to—I wasn't going to ask you any more, this is by way of getting some additional information.

Is it possible for your department to supply to me, or to the chairman of this committee, a map of the State of California, showing the State Highway System as it is with the two and three and four lanes, or six lanes, the present existing condition?

MR. VICKERY: Yes, it is possible to do that.

ASSEMBLYMAN RALPH DILLS: May I ask you to do that at your convenience?

MR. VICKERY: Yes, we will do that. It doesn't take very long.

ASSEMBLYMAN RALPH DILLS: Several days, perhaps?

MR. VICKERY: No, we can give it to you by Monday or Tuesday.

ASSEMBLYMAN RALPH DILLS: Some of us can see these things better if they are mapped.

MR. VICKERY: Just a minute, Mr. Dills, you asked for a couple of statements yesterday which I agreed to furnish and one of the questions you asked was the expenditures of the department, I believe, in 1943 to the present date. There was laid on your desk today, I believe, if there

wasn't, you will get it immediately, a copy of the biennial report we have just published.

ASSEMBLYMAN RALPH DILLS: It may be here—I can't tell just now.

MR. VICKERY: On page 11 of that report is the expenditures of the division for which you asked yesterday.

ASSEMBLYMAN RALPH DILLS: Thank you.

CHAIRMAN HOLLIBAUGH: Clayton Dills?

ASSEMBLYMAN CLAYTON DILLS: Mr. Vickery, just a little short question. Do you happen to have at the present time any right of ways that are not under construction?

MR. VICKERY: Do you mean that we have right of ways when they are not underway to construct on, yes.

ASSEMBLYMAN CLAYTON DILLS: How long have you had these—the right of ways—how far back were they acquired?

MR. VICKERY: I couldn't answer that off-hand this afternoon. I would have to say that I don't know this afternoon.

ASSEMBLYMAN CLAYTON DILLS: Well, could you say a year, or a year and a half, or two years?

MR. VICKERY: Well, I know that we have right of ways of a year ago.

ASSEMBLYMAN CLAYTON DILLS: But it is possible that you might have some that were acquired two years ago?

MR. VICKERY: Well, Mr. Dills, we have to have the right of way to construct the program for the next year, otherwise we couldn't start at all. It is necessary that on some projects where the right of way is complicated, it might take as much as two years to get the right of way. On some projects we have to start a year or two, at least, to get that right of way. This list of projects which we furnished to you the other day for this next year, the right of way is practically 100 percent on those projects, otherwise we couldn't set them up, or contract next year.

ASSEMBLYMAN CLAYTON DILLS: But they could be back as far as two years?

MR. VICKERY: Well, I think it is.

ASSEMBLYMAN CLAYTON DILLS: And maybe farther?

MR. VICKERY: Maybe farther.

ASSEMBLYMAN CLAYTON DILLS: Then, do you have money now to start construction of those?

MR. VICKERY: We have the money to start the construction on this particular list next year. We have been acquiring right of way on that so-called postwar program that I mentioned a short time ago. We have been acquiring the right of way on that as a continuous project since the war, and a substantial part of that is acquired.

ASSEMBLYMAN CLAYTON DILLS: Well, the question that I was getting to, the question that I asked: That it is possible to go out and acquire right of ways possibly three years—two years ahead of time, and it is possible for the next Legislature to—maybe you are depending on the Legislature to allocate so much money and probably in the next session, or the one two years from now, it might be a different set-up, some of us boys might be defeated, and there might be a different feeling, that would be possible, wouldn't it?

MR. VICKERY: Yes, let's you and I get clear. Do you refer to the allocation of money for right of way for construction?

ASSEMBLYMAN CLAYTON DILLS: No—for construction.

MR. VICKERY: Well, if the Legislature should determine at any time that they want to discontinue highway work, they would find us with a lot of right of ways.

ASSEMBLYMAN CLAYTON DILLS: Or if they should want to change the right of way, they would be tied up with a right of way, that they couldn't use. What would you do in a case like that?

MR. VICKERY: I am sure I don't know.

ASSEMBLYMAN CLAYTON DILLS: The State would be at a loss?

MR. VICKERY: I dare say we would do one of many things, but, Mr. Dills, the law is passed in the Legislature, 70 2, of the Streets and Highways Code, making advance planning mandatory for highways.

ASSEMBLYMAN CLAYTON DILLS: Doesn't say how much?

MR. VICKERY: No, it doesn't make any time.

CHAIRMAN HOLLIBAUGH: Mr. Waters?

ASSEMBLYMAN WATERS: Mr. Vickery, in regard to this advanced planning of the highway program, you have a long-range program already anticipated by the department, isn't that correct?

MR. VICKERY: Correct.

ASSEMBLYMAN WATERS: Now, there has been some discussion here that it might be feasible for the Legislature to exercise control over the fund—the allocations—to implement this plan, and there has been rebuttal to the effect that this would seriously jeopardize the program in its ultimate completion. Now, I would like to know just how that would materially discourage contractors or those people who have involved and prevent them from completing the program.

MR. VICKERY: Well, I don't know that I can answer that to your satisfaction or not, Mr. Waters, but we go ahead with the advanced planning of highways, the engineers, and making the construction and letting of contracts, which is a continuous procedure, without any interruptions. Now, if the budget for any particular year were necessary that it be approved by the Legislature or by the combined Legislature, then we would not be able to proceed that particular year until that program was approved, that I have just said, the planning must start two years in advance, and in the case of metropolitan areas, as much as three years, prior to the letting of contract, in order to get the plans completed, and get the right of way purchased, and go ahead with the work.

Now, if any agency of the Legislature, or anyone else, should step in and change those plans, naturally there is a gap in the planning program. In other words, if they had a particular program to go ahead like next year, and somebody changes a program, or some agency changes a program for us, we would be at a standstill with it, which might be as much as two years. It has to be a continuous process of planning, purchase of rights of way, the making of plans, and the letting of contract, and completing of those contracts

ASSEMBLYMAN WATERS: If the Legislature recognized the fact that it was necessary to take two or three years to make the plans, and then exercised control over the budget, anticipated that particular thing—in other words, your present two-year construction program would be covered, we will say, by present allocations. Now the year after that would be the year we were particularly interested in, in exercising control over it—if we recognized the need for advanced planning and then

controlled our budget investigations with that in mind, would that hamper the program at all?

MR. VICKERY: Well, I don't know that I am qualified to answer that question, Mr. Waters, but I can tell you this: That over a period of two years now, I have been testifying before Legislatures and legislative committees on this program we are trying to develop, and we haven't gotten that much done.

Now, if I might assume all that discussion to approve another program, I don't know just what we can do.

ASSEMBLYMAN WATERS: Then it would be your opinion then that any biennial control by the Legislature over a highway budget, would interfere with the proposed highway program?

MR. VICKERY: I think the procedure that we now use works very satisfactorily. The commission to all purposes, is a representative body of the Legislature. They exercise the control of a few men that are put in there by law—you passed the law and you put them in there, and I think it is a continuing part on the staggered term, and is working very satisfactory at the present time.

ASSEMBLYMAN WATERS: I believe the Legislature passed the law creating the commission. Now, insofar as putting those people in position, or getting any answer from them I don't believe that we have been entirely satisfied, and there has been some discussion that perhaps if the Legislature were supervision over the moneys involved, that they might have been more inclined to support the program, in view of the fact that they were directly answerable to the people, who ultimately pay the money we are trying to get. From all aspects, I don't believe this is a means of handling the department. I want to see every department functioning properly, but I am trying to ascertain whether or not there would be some possible procedure whereby we could make allowance for the necessary time involved—of projecting your program and then making our budget recommendations to that amount.

MR. VICKERY: Let me answer it in this way, and that is about the only answer I can give you—I believe the present system is working satisfactorily, and I would be very reluctant to change the method of operation now.

CHAIRMAN HOLLIBAUGH: Mr. Geddes?

ASSEMBLYMAN GEDDES: Well, Mr. Vickery, I have just a short question here, and it is pertinent to what I have asked of others. The other day—this is in the Lindman Report—they make a considerably different estimate of the fuel tax at 3 cents a gallon, that is the present rate, which I understand is the same rate that you have used here. That is based, as I understand it, on the engineer's figure and some projection as to those increased use of the highways—increased number of vehicles and then the increased fuel consumption, that amounts to some $800,000,000, while here you have in the report in the tabulation which was handed to us the other day, $543,780,580. This is quite a discrepancy, yet the estimate of the report is based on a far greater use of the highways by automobiles. If we are using 3 cents as a factor there, I wonder if you would be able at all to reconcile those figures, or did Mr. Lindman just pick it up somewhere else?

MR. VICKERY: Well, I don't think I can correctly give it to you. I believe that you are looking at a different period of time.

ASSEMBLYMAN GEDDES: Well, I didn't have the entire column, he shows from the year 1946 to 1960, and I have just roughly taken out six years which he shows, for instance, 1947 he shows—you show 1946, 47, 48—in other words, you show $49,600,000 when he shows $72,000,000, which would be approximately the same years.

MR. VICKERY: It is quite easy to reconcile the figure in the Lindman Report toward ours, for the fact that in the Lindman Report, I think you will find a chart showing a comparison of various estimates of income. I believe you will find that the report, or the curve on that chart is represented by Kennedy Engineers, and for the staff of the Collier committee, which is really practically the same as ours.

ASSEMBLYMAN GEDDES: And then if he picks up that, I still don't know where we get the discrepancy, but then we can work that out later. Another that I asked the other day, and I am not entirely satisfied in my mind. Maybe your answer to one of Mr. Dills' questions—that is the big, good-looking Dills—is the discrepancy between federal aid which you have shown as $17,140,000, was an absolute blank after the 1948-49 years. Now, did you discard the idea there might be some federal aid, or just take into consideration that it would take 58 Philadelphia lawyers to figure it out, so you know they couldn't answer or agree, so you couldn't put it in?

MR. VICKERY: There is no congressional authority for federal aid apportionment. The so-called 1940 Federal Route Act has provided us with seventeen millions in the last year of the three years' period. We have also taken two years, so that means we can no longer put it in our budget.

Now, there is no congressional authority for any federal aid money, beyond that time, so we don't see how we can estimate income for which there is no legal authority, any more than we can estimate 4 cents gas tax.

ASSEMBLYMAN GEDDES: That is right, so you stuck to the 3 cents gas tax, but you took the increased mileage to the routes, increased automobiles, increased costs of materials—all projected into the budget, but you won't make a reasonable estimate that Uncle Sam might make a governmental gift?

MR. VICKERY: Well, there is no legal basis for any of these. We might put in toll roads, or we might go back to the horse and buggy days, or to the dark ages.

ASSEMBLYMAN GEDDES: That is true, but remember that quite a few congressmen come from California and Congress continues to meet.

CHAIRMAN HOLLIBAUGH: We will adjourn now, but I would like to ask that the members of the highway department to come back again on Monday. We might be able to get some more questions of you then. We certainly have appreciated you coming over here.

(The meeting was thereupon adjourned)

REPORTER'S CERTIFICATE

This is to certify that I, Harold Krabbenhoft, a stenograph reporter, was present at the time and place the foregoing proceedings were had and taken before Assemblyman Hollibaugh, Chairman of the Assembly Committee on Revenue and Taxation, in the Assembly Chamber of the State Capitol at Sacramento, California, on Friday, March 7, 1947, and

that as such stenograph reporter, did report the aforesaid proceedings on the stenograph machine, and afterwards caused the said stenograph notes to be reduced to longhand typewriting, and the foregoing proceedings beginning at the top of page 1, to and including line 14, of page 93 hereof constitutes a full, true, complete, and accurate transcription of the aforesaid proceedings.

Dated this nineteenth day of March, 1947.

GRAESER REPORTERS
By HAROLD KRABBENHOFT, Reporter

REQUEST FOR UNANIMOUS CONSENT THAT STATEMENTS RELATIVE TO THE STATE HIGHWAY SYSTEM BE PRINTED IN THE JOURNAL

Mr. Hollibaugh asked for, and was granted, unanimous consent that a letter of transmittal and a Statement of County Road Needs by Frederic L. Alexander, General Manager of the County Supervisors Association of California; an opinion of the Legislative Counsel, relative to the California Highway Commission; and a Statement to the Assembly Committee on Revenue and Taxation by J. W. Vickery, Traffic Engineer, Division of Highways, be ordered printed in the Journal in 10-point type.

LETTER OF TRANSMITTAL

COUNTY SUPERVISORS ASSOCIATION OF CALIFORNIA
SACRAMENTO, March 19, 1947

Assemblyman Jonathan J. Hollibaugh
Chairman, Assembly Revenue and Taxation Committee
State Capitol, Sacramento, California

DEAR MR. HOLLIBAUGH: Attached is "Statement of County Road Needs" which I desire to file with the Assembly Revenue and Taxation Committee, pursuant to our conversation of yesterday. At that time you pointed out that it was the desire of your committee to terminate hearings as soon as possible of special session Senate Bill No. 5 and that it would be appropriate for the County Supervisors Association to file a statement of its views. This was determined because it was impossible for your committee to hear a representative of the County Supervisors Association on March 10th, the time scheduled for our presentation, because of the lengthy discussion following the presentation of another witness.

Sincerely yours,

FREDERIC L. ALEXANDER, General Manager

STATEMENT OF COUNTY ROAD NEEDS

BY FREDERIC L. ALEXANDER, GENERAL MANAGER, COUNTY SUPERVISORS ASSOCIATION OF CALIFORNIA

Filed With Assembly Revenue and Taxation Committee
State Capitol, March 19, 1947

May I emphasize my statement at the outset by saying to you that in the proposed highway development program under Senate Bill No. 5, *the correction of deficiencies on county road systems is an integral part of the program, and constitutes one of the most vital portions of the program.* We do not want you to lose sight of this fact. The County Supervisors Association, along with other state-wide groups, is fully aware

of the importance of freeways and expressways. The supervisors believe that they are essential to bring about a reasonable degree of highway traffic safety and a full economic development of the State as a whole. They are consequently giving the freeway and expressway program their full support. Other related needs, however, must also not be overlooked. *Among these other related needs is the urgent necessity for the improvement of county highway systems.* Without any desire whatsoever to detract from the State or from the city parts of the over-all highway program now under consideration by your body, I am going to emphasize today the county side of the program.

The Development of County Road Systems

Permit me to review for you the present situation relating to county roads. Particularly, I should like to point out the salient points—legal and administrative—applying to the financing of county roads.

The present plan of highway organization and finance has developed over a period of many years. A long time ago, in the early days of the State, county roads were handled in a very primitive manner. This was the situation: Each year, in the spring, every able-bodied man owning property in the unincorporated territory of the county was obligated to contribute two, three, or four days' work on the roads. He might come to the task alone or he might come with team and equipment. In either case, his job was to meet his fair share of responsibility for putting the roads in a passable condition so that agricultural produce could move to market and so that normal community life between the farms and between the country districts and the town or city could take place. If for some good reason a man should be unable to contribute his prescribed stint in the improvement of the county roads, it was provided in the law that he should pay a specified sum in lieu of contributing his own labor. With the passage of years, as would be expected, the payment of a tax in lieu of making a contribution of labor became more customary and ultimately prevailed as the accepted method of building, rebuilding, and maintaining the county roads.

It is worthy of note at this point that even during this early period there came to be recognized a general county-wide financial responsibility for a certain portion of county highway expense. Transfers from the county general fund were authorized by early statutes, and it was not uncommon that the merchants and businessmen of the towns joined with the rural residents in urging local boards of supervisors to expend money from general funds in order that the business and community life of the county might be better tied together as an operating unit. Farm-to-market roads came to be recognized as a matter of joint interest and concern to all people in the county. This type of road made it possible for the man in the country to come to town in order to trade and enabled the merchant in the city to sell and deliver to the farmer in the country at his place of residence.

In the 1890's, as a result of propaganda by the "wheelman," or bicycle owners in this State, as in other states, the first effective impetus was given to the development of a State Highway System. Soon thereafter the wheelmen were joined by their brothers, a new class of automobile owners, and the two together, over a period of 15 to 20 years in California, were successful in getting established the rudiments of our present State Highway System. In 1910, as you know, the first bond

issue of $18,000,000 was approved by an overwhelming vote of the people. In 1915 another bond issue was ratified by popular vote, and in 1919 the sum of $40,000,000 was voted to further the program.

The next period in highway and road finance in California dates from 1923 when the first 2-cent gasoline tax was adopted. This marked a radical departure from the earlier thinking and method of finance. It constituted a recognition, at long last, that adequate roads in the automobile-age had to depend primarily upon the highway-user for their financing. Not only did the voters of the State bond themselves for state highways, but they had also voted bonds for county roads and city streets. All of this money came from the general property taxpayer.

In 1923 the point was reached when it became apparent that general property should no longer carry the major responsibility for the cost of the roads. At this time, in 1923, in order to relieve general property taxpayers locally as well as at the state level, it was provided in the gasoline tax law that net receipts from 1-cent of the 2-cent levy should be returned to the various counties of the State to be used for county road purposes. This money became the mainstay of county road finance from that date on. As a result of the receipt of these new funds, the counties found it possible to substantially reduce their road district property tax rates. With the coming of the depression in the early 1930's, this tax relief upon general property proved to be a lifesaver in many instances. Further relief to common property taxpayers was extended by the State Legislature in 1933 through the addition of some 6,600 miles of major county roads to the secondary state system.

Along with 1 cent of the gasoline tax, the counties were likewise allocated, during the early period of road building for automobile traffic, the right to the receipts from a portion of registration and weight fees. Counties have participated in this source of revenue from the very beginning of special highway-user levies.

Present Sources of Revenues for County Roads

For the Fiscal Year 1947-48, it is estimated that the net receipts earmarked for county road purposes from the gasoline tax levy will amount to approximately $25,000,000 and those from the registration and weight fees to approximately $5,400,000. Along with state sources of county road money, the counties themselves still levy taxes upon general property to the extent of $5,000,000 to $6,000,000 per year. In addition, the Federal Government contributes to the support of county roads of specified types. It has been the policy of the Federal Government for many years to share the cost of roads in the national parks, national forests, and on the public domain. During the past two years a regular program of federal-aid to an approved system of federal secondary or "feeder" county roads has been in effect. At the present time the Federal Government grant for county roads amounts to approximately $3,750,000 per year. This federal secondary program applying to counties, like other grant-in-aid programs, is on a matching basis and for new construction only. In order to provide the funds for such matching, the

State Legislature appropriated in 1945 the sum of $12,000,000. This sum, plus the sum authorized by Congress for the three-year program, amounts to a grand total of approximately $25,000,000. However, since federal appropriations are made on a year-to-year basis, money for only the first two years of the program has actually been made available. This amounts to some $17,000,000, including both federal and state funds. Of this amount, $16,000,000 is included within programs approved by the United States Commissioner of Public Roads. Almost $11,000,000 of the $16,000,000 is included within detailed estimates and specifications. Some projects have been finally approved by the State Allocation Board and the balance are now pending before the board.

The sources of funds for county roads described above complete the picture as of the present time with one exception. This exception relates to the counties' portion of the $90,000,000 appropriated by the State Legislature in special session of 1946 in the Construction and Employment Act, known as Chapter 20. This appropriation, as you will recall, had a dual purpose; the first of which was to assist in the alleviation of unemployment during the economic adjustments of the postwar years, and the second, to help the counties, cities, and other local units of government to catch up with their construction work which was sadly neglected during the war years and, before that, during the depression years. With particular reference to the $45,000,000 in the act set aside for county construction purposes, a third of this total amount, or $15,000,000, was earmarked for county highways and roads.

In accordance with the basic purpose of the act, it must be remembered that the money allocated can only be used for new construction. You and I know that the lack of funds available for road purposes, coupled with the difficulties encountered during the war years, has placed the existing road plant of the counties in a neglected state of repair. Consequently, the main need of the counties—the pressing, urgent need—immediately following the war has been for large sums for maintenance of their existing road plants. It is for this reason that all of the $15,000,000 has not been utilized since Chapter 20 became effective in May, 1946; but it does not mean that the counties have been idle. *From this point on, construction will assume a growing importance in the county road program.*

Those counties who can spare their engineering staffs have begun preparing plans and specifications, and are setting up projects in preparation to utilizing the money made available under the act. Out of 108 county applications made to the State Allocation Board up to March, 1947, 93 have been for roads. As of March 14, 1947, applications amounting to $2,269,691 have been submitted to the State Allocation Board, and the latter had approved projects amounting to $1,646,902 of this amount.

It must be remembered that aside from emergencies, the moneys under Chapter 20 were to be used to alleviate economic conditions resulting from unemployment following the war. The act was conceived as a

five-year program. Almost one year has now elapsed and the small amount of money made available under the terms of Chapter 20 will be fully utilized before the five-year period is over.

Proposed System of County Roads Under Senate Bill No. 5

The counties of the State have held numerous meetings for the purpose of discussing their highway and road needs in relation to other units of local government and to the State. In large part, these conferences have related to the reports and recommendations of the Joint Fact-Finding Committee on Highways, Streets and Bridges, and the provisions of Senate Bill No. 5. It is a matter worthy of note that the County Supervisors Association was one of the very first state-wide groups to work out within its diverse membership a unified program with respect to the highway problem. We have been successful, to a large extent, in reconciling the interests of the urban and the rural counties as well as the interests of the geographic groups of counties. On the principles and fundamentals of Senate Bill No. 5, the counties of California stand together.

As a result of meetings and conferences, the counties, through their State Association, have arrived at certain basic convictions with respect to road matters. These convictions, officially expressed and approved by the association's board of directors, are based upon two axioms:

First, the counties must retain their present sources of highway and road moneys;

Second, additional revenues must be provided for county roads in order that the county systems may achieve a standard of development which will correspond to their importance in the over-all system of highway transportation in the State.

In accordance with the two basic factors mentioned above, the counties, in their deliberations concerning proposed legislation, have insisted on the retention of the receipts from 1-cent of the gasoline tax levy, and the equivalent of what they would otherwise receive from registration and weight fees. As to additional revenue, the counties are badly in need of the receipts of an additional $\frac{3}{8}$-cent gasoline tax levy. The counties have also maintained, without qualifications—and this is important in the eyes of the counties—that receipts from motor vehicle license fees ("In Lieu" Tax) shall continue to be considered as essentially a personal property tax available for general county purposes. They are opposed to any earmarking of any such local receipts going to the counties—for roads or for any other restricted purposes. Legislation in regard to the "In Lieu" tax has been introduced in this session of the Legislature but is not a part of Senate Bill No. 5.

Provision for County Road Finance in Senate Bill No. 5

Since the end of the war, counties have made a significant beginning in initiating expanded road improvement programs. County expenditures for roads in 1945-1946, the first postwar year, ran in excess of $25,000,000. This year, 1947-1948, judging from county budgets and reports,

expenditures will probably approximate $35,000,000. In addition, over $10,000,000 will be expended or encumbered by June 30, 1947, for specific construction projects under the County Highway Act of 1945. A substantial portion of the $15,000,000 available for roads under the Construction and Employment Act of 1946 (Chapter 20) likewise will be included within approved project plans and estimates.

Existing funds for county highways are totally inadequate to meet urgent needs. Looking ahead to the first year of a projected expanded highway program in 1947-1948, it is estimated that revenues coming to the counties from 1-cent of the gasoline tax levy will amount to approximately $25,000,000. It is also estimated that the amount of money coming to the counties in lieu of the present registration and weight receipts will amount to approximately $5,400,000. From local sources, it is estimated that an additional $5,400,000 will be received by the counties. Federal aid money, it is assumed, will amount to $3,750,000. Special state funds consisting of Chapter 20 money and funds made available under the County Highway Act of 1945 will provide some $6,750,000 more. This adds up to an estimated total for the fiscal year of $46,350,000.

On the other side of the ledger we find that total estimated costs of the projected highway programs of the counties for 1947-1948 amount to approximately $61,660,000. This total is made up as follows:

Construction and Reconstruction	$40,000,000
Maintenance and Repair	18,000,000
Cost of Administration	1,160,000
Equipment Costs	2,500,000
Total	$61,660,000

By subtracting estimated revenues from estimated costs for 1947-48 it is revealed that there is a deficit of $15,360,000. This sum must be made available from additional sources if the first year of a projected 10-year expanded program of county road development is to be achieved. Until it is possible under the law to allocate this amount of money for county road purposes, contracts cannot be let and construction cannot begin on an adequate program for county roads.

Now with special reference to the funds allocated to the counties under Senate Bill No. 5, we feel that the very minimum requirement of the counties is the estimated receipts from ⅜-cents additional gasoline tax revenue, or $9,375,000 per year. The additional ⅜-cents is used primarily as an equalization fund to equalize the allocation of state-collected user revenue now coming to the counties. Very briefly explained; from the additional ⅜-cent gasoline tax each county will be apportioned a sufficient amount of money to provide $300 per mile for general road purposes. On a state-wide basis, it is estimated that the amount of money required for this equalization purpose would amount to $6,583,000 annually.

The remaining funds from the ⅜-cents additional gasoline tax levy would be divided into two equal parts and these would be apportioned to the counties as follows:

(1) One-half on basis of motor vehicle registration;
(2) One-half on the basis of rural road mileage to those counties only which receive less than $600 per mile of maintained county road from the 1-cent gasoline tax distribution, plus the distribution of registration fee receipts.

With respect to the new funds available to the counties under the provisions of Senate Bill No. 5, it should be pointed out that the additional money allocated to the counties is earmarked for equalization purposes and for construction on the county primary systems.

Attached is a table prepared February 17, 1947, which compares the present plan of distribution to counties of state apportionments for county road purposes with the proposed plan of distribution contained in special session Senate Bill No. 5.

Consolidated County Road Administration

Senate Bill No. 5, as well as other pending bills before the Legislature, contains provisions which prescribe consolidated road administration within the various counties. For a number of counties this will entail no change because they have followed this practice of centralized handling of county road matters for a long period of time—in some instances going back to the period before World War I. Results from this coordinated method of administration have been uniformly good. It was on the basis of this successful experience in some of the counties that the Board of Directors of the County Supervisors Association in 1946 went on record in favor of consolidated county road administration for all of the counties. As an association, we are giving our solid support to this officially adopted policy.

In this regard, however, it is important to remember that the counties, in assuming their stand, did so with the definite and expressed understanding that selection of a competent engineer to head the road organization in each of the counties would remain strictly the responsibility of the respective county boards of supervisors. Local selection and local autonomy in matters of choosing competent personnel for county government is a principle upon which the counties and their association are in firm agreement. They are not willing to see this responsibility and power of selection delegated to anybody outside of their own local governing board. We are happy to state that these principles have been embodied in Senate Bill No. 5 and that the counties are ready to enter wholeheartedly into a program of consolidated road administration in the interest of the greatest return to the people for each dollar of highway and road moneys expended.

Conclusion

From the above, you can see that the needs of the counties for an expanded highway and road program relate both to construction and maintenance requirements. *This need is an urgent one.* An expanded program to correct present deficiencies on the county road systems should begin with the least possible delay. As an organized group speaking for one important segment of local government, the County Supervisors Association is in entire accord with Governor Warren and others concerned with the problem that conditions in the State make it an urgent necessity that a modern highway development program, adequately financed, should be adopted at this special session of the Legislature.

COUNTY SUPERVISORS ASSOCIATION OF CALIFORNIA
400 FORUM BUILDING, SACRAMENTO 14, CALIFORNIA

Comparison of Present Plan of Distribution to Counties of State Apportionments for County Road Purposes with Proposed Plan of Distribution Contained in Special Session Senate Bill No. 5 as Amended on Third Reading File in the Senate (Estimates on the Basis of Revenues Anticipated for the Fiscal Year 1947-1948)

Present Plan of Distribution

County	$30,000 lump sum grant	Remainder of 1¢ gasoline tax	Registration and weight fees	Total
Alameda	$30,000	$1,528,898	$354,923	$1,913,821
Alpine	30,000	930	205	31,135
Amador	30,000	23,260	5,408	58,668
Butte	30,000	158,866	36,923	225,789
Calaveras	30,000	23,958	5,574	59,532
Colusa	30,000	35,588	8,246	73,834
Contra Costa	30,000	504,509	117,122	651,631
Del Norte	30,000	16,978	3,923	50,903
El Dorado	30,000	41,868	9,716	81,584
Fresno	30,000	666,399	154,719	851,118
Glenn	30,000	46,985	10,927	87,912
Humboldt	30,000	140,258	32,570	202,828
Imperial	30,000	153,283	35,562	218,845
Inyo	30,000	27,214	6,312	63,526
Kern	30,000	506,138	117,512	653,650
Kings	30,000	128,163	29,758	187,921
Lake	30,000	38,379	8,891	77,270
Lassen	30,000	40,472	9,396	79,868
Los Angeles	30,000	9,464,261	2,197,174	11,691,434
Madera	30,000	85,829	19,934	135,763
Marin	30,000	153,749	35,676	219,425
Mariposa	30,000	13,026	3,048	46,074
Mendocino	30,000	77,921	18,089	126,010
Merced	30,000	172,589	40,087	242,676
Modoc	30,000	23,958	5,580	59,538
Mono	30,000	4,652	1,100	35,752
Monterey	30,000	260,512	60,480	350,992
Napa	30,000	109,322	25,402	164,724
Nevada	30,000	45,124	10,492	85,616
Orange	30,000	539,632	125,256	694,888
Placer	30,000	92,342	21,459	143,801
Plumas	30,000	29,075	6,762	65,837
Riverside	30,000	407,050	94,475	531,525
Sacramento	30,000	594,293	137,994	762,287
San Benito	30,000	42,566	9,894	82,460
San Bernardino	30,000	606,156	140,715	776,870
San Diego	30,000	1,095,313	254,307	1,379,619
San Francisco	30,000	1,380,016	320,357	1,730,372
San Joaquin	30,000	483,808	112,280	626,088
San Luis Obispo	30,000	133,047	30,902	193,949
San Mateo	30,000	398,444	92,521	520,965
Santa Barbara	30,000	240,500	55,839	326,339
Santa Clara	30,000	613,599	142,429	786,028
Santa Cruz	30,000	164,681	38,248	232,929
Shasta	30,000	84,666	19,672	134,338
Sierra	30,000	6,280	1,441	37,721
Siskiyou	30,000	82,101	19,087	131,188
Solano	30,000	232,600	53,992	316,592
Sonoma	30,000	269,351	62,461	361,812
Stanislaus	30,000	323,314	75,059	428,373
Sutter	30,000	66,989	15,556	112,545
Tehama	30,000	51,172	11,903	93,075
Trinity	30,000	8,374	1,968	40,342
Tulare	30,000	383,325	88,970	502,295
Tuolumne	30,000	32,099	7,441	69,540
Ventura	30,000	236,089	54,795	320,884
Yolo	30,000	106,298	24,696	160,994
Yuba	30,000	63,733	14,772	108,505
Totals	$1,740,000	$23,260,000	$5,400,000	$30,400,000

Date—February 17, 1947
Prepared by George W Bemis, Research Director

COUNTY SUPERVISORS ASSOCIATION OF CALIFORNIA, 400 FORUM BUILDING, SACRAMENTO 14, CALIFORNIA

Comparison of Present Plan of Distribution to Counties of State Apportionments for County Road Purposes with Proposed Plan of Distribution Contained in Special Session Senate Bill No 5 as Amended on Third Reading File in the Senate (Estimates on the Basis of Revenues Anticipated for the Fiscal Year 1947-1948)—Continued

Proposed Plan of Distribution—Senate Bill No. 5, as Amended

	Registration and Weight Fees Plus 1c Gasoline Tax					1½c Gasoline Tax			Totals		
County	Registration and weight fees	$20,000 grant for admin	$30,000 lump sum grant	Remainder on regis basis	Alloc per mile from gas tax funds, less $20,000 grant	Equal grant up to $300 per mile from gas tax funds	One-half remainder on regis basis	One-half remainder on rural road mileage basis	Total from 1½c gasoline tax	Grand total from 1½c gas tax plus regis fees	Increase proposed plan over present plan
Alameda	$354,923	$20,000	$30,000	$1,452,557	$2,860	–	$91,739	–	$1,594,296	$1,949,219	$35,398
Alpine	205	20,000	30,000	838	585	–	53	$1,509	52,400	52,605	21,470
Amador	5,408	20,000	30,000	22,134	161	$45,036	1,398	9,280	127,848	133,256	74,588
Butte	36,923	20,000	30,000	151,111	143	199,374	9,544	36,374	446,403	483,326	257,537
Calaveras	5,574	20,000	30,000	22,811	93	117,907	1,441	16,315	208,474	214,048	154,516
Colusa	8,246	20,000	30,000	33,748	87	155,511	2,131	20,912	262,302	270,519	196,711
Contra Costa	117,122	20,000	30,000	479,332	749	–	30,273	–	559,605	676,727	25,096
Del Norte	3,923	20,000	30,000	16,054	454	–	1,014	2,907	69,975	73,898	22,995
El Dorado	9,716	20,000	30,000	39,765	112	117,049	2,511	17,833	227,158	236,874	155,290
Fresno	154,719	20,000	30,000	633,200	190	383,966	39,991	99,981	1,207,138	1,361,857	510,739
Glenn	10,927	20,000	30,000	44,721	87	182,882	2,824	24,593	305,020	315,947	228,035
Humboldt	32,570	20,000	30,000	133,298	166	131,058	8,419	28,225	351,000	383,570	180,742
Imperial	35,562	20,000	30,000	145 540	98	360,368	9,192	51,099	616,199	651,761	432,916
Inyo	6,312	20,000	30,000	25,833	59	229,649	1,632	27,294	334,408	340,720	277,194
Kern	117,512	20,000	30,000	480,931	208	225,860	30,374	70,318	857,483	974,995	321,345
Kings	29,758	20,000	30,000	121,787	158	136,462	7,692	27,526	343,467	373,225	185,301
Lake	8,891	20,000	30,000	36,387	166	53,506	2,298	11,437	153,628	162,519	85,249
Lassen	9 396	20,000	30,000	38,453	64	254.361	2 429	30,871	376 114	385.510	305.612
Los Angeles	2,197,174	20,000	30,000	8,992.135	2,479	–	567.915	–	9,610,050	11,807,224	115,790
Madera	19,934	20,000	30,000	81,583	103	213,686	5,152	31,069	381,490	401.424	265,661
Marin	35,676	20,000	30,000	146,008	660	–	9,221	–	205,229	240.905	21,480
Mariposa	3,048	20,000	30,000	12,473	110	73,568	788	11,091	147,920	150,968	104,894
Mendocino	18,089	20,000	30,000	74,030	114	169,000	4,675	26,025	323,730	341,819	215,809
Merced	40,087	20,000	30,000	164.058	129	256,945	10,361	43,039	524,403	564,490	321,814
Modoc	5,580	20,000	30,000	22,839	79	147,805	1,442	19,156	241,242	246,822	187,284
Mono	1,100	20,000	30,000	4,502	96	73,277	284	10,289	138.352	139.452	103.700
Monterey	60,480	20,000	30,000	247,519	231	82,766	15,632	34,357	430.274	490,754	139,762
Napa	25,402	20,000	30,000	103,960	371	–	6,566	10,331	170,857	196,259	31,535
Nevada	10,492	20,000	30,000	42,941	143	79,976	2,712	14,591	190,220	200,712	115,096

Orange	125,256	20,000	30,000	512,627	640	-	32,376	-	595,003	720,259	25,371
Placer	21,459	20,000	30,000	87,823	173	86,322	5,547	19,469	249,161	270,620	126,819
Plumas	6,762	20,000	30,000	27,676	111	98,242	1,748	14,889	192,555	199,317	133,480
Riverside	94,475	20,000	30,000	386,651	140	474,928	24,420	85,021	1,021,020	1,115,495	583,970
Sacramento	137,994	20,000	30,000	561,754	458	-	35,668	37,161	687,583	825,577	63,290
San Benito	9,894	20,000	30,000	40,491	192	39,582	2,557	10,498	143,128	153,022	70,562
San Bernardino	140,715	20,000	30,000	575,887	206	276,266	36,371	84,181	1,022,705	1,163,420	386,550
San Diego	254,307	20,000	30,000	1,040,770	540	-	65,732	-	1,156,502	1,410,809	31,190
San Francisco	320,357	20,000	30,000	1,311,086	-	-	82,804	-	1,433,890	1,764,247	33,875
San Joaquin	112,280	20,000	30,000	459,516	355	-	29,022	39,524	578,062	690,342	64,254
San Luis Obispo	30,902	20,000	30,000	126,471	145	166,982	7,988	30,857	382,298	413,200	219,251
San Mateo	92,521	20,000	30,000	378,652	1,078	-	23,914	-	452,566	545,087	24,122
Santa Barbara	55,839	20,000	30,000	228,526	153	-	14,433	16,341	309,302	365,141	38,802
Santa Clara	142,429	20,000	30,000	582,902	570	-	36,814	-	669,716	812,145	26,117
Santa Cruz	38,248	20,000	30,000	156,534	406	-	9,886	13,161	229,581	267,829	34,900
Shasta	19,672	20,000	30,000	80,508	108	197,126	5,085	29,408	362,127	381,799	247,461
Sierra	1,441	20,000	30,000	5,898	141	40,561	372	7,307	104,138	105,579	67,858
Siskiyou	19,087	20,000	30,000	78,113	108	191,405	4,933	28,554	353,005	372,092	240,904
Solano	53,992	20,000	30,000	220,967	419	-	13,956	17,166	302,089	356,081	39,489
Sonoma	62,461	20,000	30,000	255,629	256	49,012	16,145	31,905	402,691	465,152	103,340
Stanislaus	75,059	20,000	30,000	307,184	222	118,349	19,401	43,460	538,394	613,453	185,080
Sutter	15,556	20,000	30,000	63,665	130	122,570	4,021	20,651	260,907	276,463	163,918
Tehama	11,903	20,000	30,000	48,714	85	197,951	3,077	26,371	326,113	338,016	244,941
Trinity	1,968	20,000	30,000	8,055	101	74,744	509	10,758	144,066	146,034	105,692
Tulare	88,970	20,000	30,000	364,120	130	516,290	22,997	86,988	1,040,395	1,129,365	627,070
Tuolumne	7,441	20,000	30,000	30,454	184	38,048	1,923	9,395	129,820	137,261	67,721
Ventura	54,795	20,000	30,000	224,254	468	-	14,163	15,550	303,967	358,762	37,878
Yolo	24,696	20,000	30,000	101,071	150	131,190	6,383	25,051	313,695	338,391	177,397
Yuba	14,772	20,000	30,000	60,451	165	73,886	3,819	15,676	203,834	218,608	110,103
Totals	$5,400,000	$1,160,000	$1,740,000	$22,100,000		$6,583,466	$1,395,767	$1,395,767	$34,375,000	$39,775,000	$9,375,000

OPINION OF LEGISLATIVE COUNSEL

OFFICE OF LEGISLATIVE COUNSEL
SACRAMENTO, March 19, 1947

A. B. 26 (1947 First Extra Session)
re California Highway Commission—No. 3353

Honorable Lloyd W. Lowrey
Assembly Chamber

DEAR MR. LOWREY: You have asked us to advise you as to the nature of the budget that the California Highway Commission will be required to submit to the Legislature if the above bill is enacted into law.

As we interpret the bill it contemplates that the California Highway Commission will submit, with reference to maintenance and construction of state highways, a proposed budget similar to that submitted by other state agencies with reference to their functions in sufficient detail to enable the Legislature to determine the proper amount of money to be included for those purposes in the item or items of appropriation to be included in the annual budget bill.

While the language of the bill speaks of the inclusion in the budget bill of "an item" of appropriation for state highways, the question of whether the funds to be made available for this purpose shall be in one or more items or with or without restrictions as to specific purposes is a matter for each Legislature to determine when considering the budget before it for adoption. While this Legislature may prescribe by law the contents of the budget to be submitted by the Highway Commission it cannot restrict the Legislature at future session with reference to the action it may take in making appropriations with respect to the maintenance and construction of state highways.

Very truly yours,

FRED B. WOOD, Legislative Counsel
By LAWRENCE G. ALLYN, Deputy
March 17, 1947

STATEMENT TO THE REVENUE AND TAXATION COMMITTEE OF THE ASSEMBLY BY J. W. VICKREY, TRAFFIC ENGINEER, DIVISION OF HIGHWAYS

In his statement of March 4th to your committee, Mr. Purcell said that the problem of adequately financing highways in California insofar as it pertains to state highways is largely concerned with three important subjects. The second subject mentioned by Mr. Purcell was the status of the present state highway funds, particularly the status of these funds as of next June 30th, the end of this fiscal year, and specifically what funds if any will be unobligated at the end of this fiscal year which would be available for new highway construction.

The purpose of this testimony today is to answer this question at greater length and in more detail than was done by Mr. Purcell.

There have been many statements made to your committee concerning the status of the highway funds and particularly with regard to the amounts that might be carried over into the next fiscal year for new construction projects. These statements have been the cause of considerable

confusion. It is my purpose now to clear up that confusion insofar as I can do so.

All funds accruing to the State for state highway purposes for expenditure on the State Highway System are, in accordance with state laws, deposited in the State Highway Fund, and all disbursements in connection with the operations of the Division of Highways are made from that fund. An examination of that fund at any time, therefore, will reflect the true status of all available funds for state highway purposes at that time. Because of accounting procedures, however, a statement of conditions at the end of any quarter is not only more convenient and simpler to make but is more easily understood.

It is first necessary to reconcile the cash and resources accruing to the State Highway Fund with the operating budget and then explain the operating budget in some detail.

You have before you a statement, "Reconciliation of Budgetary Resources with Budgetary Obligations as of December 31, 1946." This statement shows, at the top of the page, that on that date the State Highway Fund balance was a little over $1,109,000 in the red; that there was $60,000,000 invested in United States Treasury Certificates, and that there was $2,490,000 in the Revolving Fund, including the Revolving Fund of the Toll Bridge Authority. There was on that date, therefore, a cash balance of $61,380,481 43.

There were accounts receivable, deposits in the courts in connection with condemnation proceedings, and a Revolving Fund to the Department of Architecture covering its work in connection with the design of state buildings, amounting to a little better than $2,000,000.

There were in unreimbursed expenditures—that is, expenditures which had been made for which federal aid is eligible and which will be collected from the three federal aid funds as shown—a little more than $4,000,000.

There was in unapplied materials and stores account a little more than $1,318,000. It is the policy of the department to purchase some types of materials in large quantities, particularly war surplus materials, and hold them in an unapplied account to be charged to work as used.

There was in the reserve and suspense accounts approximately $84,000.

There was estimated uncollected revenue from gasoline tax, use fuel tax, motor vehicle fees, federal aid, and caravan fees amounting to $58,403,000. From this amount is deducted the revenue collected that had not been budgeted, amounting to approximately $139,000, leaving in uncollected revenue $58,264,256.65.

The total budgetary resources in the State Highway Fund as of that date were $127,242,361.73. Let me make it clear that the net amount shown in uncollected revenue, approximately $58,264,000, represents estimated revenue that had not yet been collected as of that date.

There are certain explanatory items on the bottom of this page with regard to budgetary resources, which show that $10,000,000 in United States Treasury Certificates were redeemed in January. As of today, therefore, the department has outstanding in bonds $50,000,000.

The uncollected revenue includes the January gasoline tax apportionment and the January use fuel tax apportionment, which have since been paid into the fund.

The budgetary obligations of the department against these resources are the State Highway Operating Budget, amounting to $115,929,313.40; the County Highway Operating Budget, amounting to a little more than $11,000,000; and an accumulated depreciation on buildings and plants amounting to approximately $110,000. The funds in the county operating budget represent the funds collected for secondary road improvement under the Federal Aid Act of 1944 and the matching funds provided by the State Legislature. No portion of this money can legally be used on the State Highway System. There will be no further discussion of this item, therefore, in connection with the funds available for state highway purposes.

The Division of Highways carries on all its operations under authority of work orders issued against the funds allocated to the several budgetary functions of the operating budget by the California Highway Commission. While this is not exactly a legal requirement it is an operating procedure set up by the Department of Finance for control of highway funds. The commission not only has the authority to do so but actually does readjust the amounts allocated to the budgetary functions from time to time so as to carry on a balanced program of work and at the same time provide the maximum amount practicable for improvement and construction projects. This authority does not extend to funds allocated by law to state highways in cities and to major city streets; nor does it extend to funds provided by the Legislature for engineering on county postwar projects.

The department must necessarily operate on the basis of estimated revenue and estimated expenditures; this for the reason that the revenue for any fiscal year is actually paid into the fund at different times during the year. The exact amount of revenue is not known until well along toward the end of the year. A budget for each fiscal year is made, showing estimated revenue and the estimated expenditures for that year. On the first of July the budget for the coming fiscal year is taken into the operating budget by action of the Highway Commission, and the several functions of the operating budget are credited with the amounts shown in the budget. A copy of the budget for the next fiscal year is attached to the data furnished you today. On July 1, 1947, this estimated budget will be taken into the operating budget by action of the California Highway Commission.

This budget shows on the first page a total estimated revenue of $69,767,000; and after deducting allocations to administration, highway planning, maintenance, equipment, major city streets, and buildings and plants, there is left, in Item 7 at the bottom of the page, $44,497,000 for all other functions.

It shows on the second page the required distribution of the funds: Primary-secondary, north-south, in accordance with the Streets and Highways Code.

It shows on the third page the allocations to preliminary engineering, rights of way, joint highway districts, and other items; and in Item 12, $22,961,000 for reconditioning, reconstruction and construction of highways and bridges; construction engineering; and convict camps.

Now, referring back to the second page of the data you have before you, the page headed "Consolidated Statement—Status of State Highway Fund Operating Budget as of December 31, 1946," you will note

that the total shown in the first column, $115,929,313.40, corresponds exactly with the amount shown in the State Highway Operating Budget on the first page under Budgetary Obligations. This means that on December 31, 1946, there was $115,900,000 in the operating budget and that it had been allocated by the California Highway Commission to the 18 items as shown in Column 1.

Column 2, headed "Unexpended Balances in Outstanding Work Orders," shows the unexpended balances in all work orders issued for work under the several budgetary functions. That means, for example, that of all work orders issued for preliminary surveys and plans, shown in Item 1, there was outstanding, unexpended on December 31, 1946, $786,197.21—and so on through the remainder of the budgetary functions. On December 31st, therefore, there was an outstanding unexpended balance in work orders amounting to a little over $54,827,000.

The third column, headed "Allocated by Commission to Particular Projects and Functions Not Yet Under Work Order," shows the amount of money that is held to the credit of each budgetary function that has not yet been authorized by work order. The total of this column is a little over $61,000,000. The total of the second and third columns, therefore, equals the total of the first column. This means that on December 31, 1946, of the unexpended balances in the budget there was a little less than $55,000,000 in outstanding work orders and a little over $61,000,000 that had not yet been authorized by work orders.

The fourth column shows adjustments in the budget made at the meeting of the Highway Commission on January 22, 1947. This represents an adjustment made by the commission referred to above whereby the amounts allocated to the budgetary functions are adjusted from time to time so as to carry on a balanced program and provide for the maximum practicable number of construction projects.

At this same meeting of the commission there was taken into the budget $3,523,542.70 additional revenue, which represents the actual return to the fund over the originally estimated amount. As was stated before, the Division of Highways starts the fiscal year on the basis of estimated revenue and from time to time as the year progresses and the actual revenue is known, changes are made in the budget to reflect the actual income.

The last column on this page shows the actual status of the operating budget of the Division of Highways on December 31, 1946, taking into consideration the changes made at the January 22 meeting of the commission. It shows that at that time there was $64,625,647.96 that had not yet been put under work order. The entire amount was allocated to the several budgetary functions as shown but the work orders had not been issued as of that date.

It is our best estimate that the balances shown in Item 1, preliminary surveys and plans; Item 2, right of way; Item 3, construction engineering; Item 7, joint highway districts; Item 8, contingency reserves; Item 10, maintenance; Item 11, buildings and plants; Item 12, administration; Item 13, traffic engineering; Item 14, special investigations; Item 15, highway planning survey, will all be used for the purposes shown by the end of this fiscal year, June 30, 1947.

The amount shown in Item 18, county postwar projects, was the balance from the $1,500,000 appropriated by the Legislature during the war for planning on county roads and is not available for state highway purposes. The amount shown in Item 9, cities ¼¢ city streets, is allocated by the Legislature for expenditure on city streets and is not available for state highway purposes. A portion of the money shown in Item 6, approximately $780,000, cities ¼¢ state highways, is allocated to construction projects in cities and will be used for that purpose. The balance of this item is not available for construction projects; it will be used either for maintenance or will be accumulated by the cities for future work. The sum of the amounts of money shown in Items 4 and 5, approximately $31,800,000, represents the funds that were available for construction projects yet to be let to contract during the present fiscal year.

You have previously been furnished a list of projects representing these funds. There is, however, $5,000,000 in this fund allocated by the Legislature specifically for approaches to the Golden Gate Bridge. These funds are available for that purpose only.

A check of the status of the construction projects yet to be undertaken during the remainder of this fiscal year shows that as of today there are projects amounting to approximately $23,000,000 yet to be advertised.

Now, gentlemen, summing up what I have told you is this: That on December 31, 1946, there was in the State Highway Fund a little over $61,000,000 in cash; there were in other resources and uncollected revenue at that time amounts sufficient to bring the total resources of the fund up to a little over $127,000,000; that of this amount approximately $115,900,000 represents the amount of these resources that was available for state highway purposes at that time; that of this last amount $55,000,000 is outstanding in work orders and is obligated for expenditure for specific purposes to some one of the 18 budgetary functions; and that there was a little over $64,000,000 yet to be issued to work order. Now at this point let me make this clear—that the distinction between these last two amounts is whether or not a work order has been issued. As I stated before, all work of the Division of Highways is carried out under the authority of work orders. With regard to a construction contract, for instance, a project is advertised for bid and award made to the low bidder, and a contract becomes legal when approved by the State's attorneys. The work order is the departmental authority for the expenditure; and likewise with any other budget item, the authority for expenditure is the work order.

I have further shown that adjustments were made in the budget by the Highway Commission on January 22d, and on that date a little more than $3,500,000 additional revenue was taken into the fund. Insofar as we can estimate at this time there will be no additional revenue over that which has now been taken into the fund; in other words, this $3,500,000, insofar as we can determine, will be the last major adjustment between estimated and actual funds. The last payment from fuel taxes will be made in April. Some small adjustment will of course be necessary at that time, but we do not believe that it will be large. It has also been shown that as a result of this $3,500,000 adjustment on January 22d, there was on that date approximately $31,800,000 available for construction projects. This corresponds to the list of projects heretofore furnished

you and shown on pages 30, 31, 32, and 33 of the Assembly Daily Journal for March 10th.

Satisfactory progress is being made on the scheduled program for advertising these projects for contract. A check at the end of February on the other budgetary items indicates that the entire program is going forward substantially as planned. There undoubtedly will be further adjustments necessary by the Highway Commission between the several items of the budget before the end of the fiscal year, but it is certain at this time that the program will be completed substantially as planned and that at the end of this fiscal year the entire fund will be spent or obligated for the completion of contracts legally entered into.

DEPARTMENT OF PUBLIC WORKS—DIVISION OF HIGHWAYS

Reconciliation of Budgetary Resources With Budgetary Obligations as of December 31, 1946

BUDGETARY RESOURCES

Cash:		
State Highway Fund Balance	—$1,109,518 57 [a]	
U. S. Treasury Certificates	60,000,000 00 [a]	
Revolving Fund	2,440,000 00	
Toll Bridge Authority Revolving Fund	50,000 00	$61,380,481 43
Receivables:		
Accounts Receivable	$429,341 39	
Court Deposits	1,033,700 14	
Architecture Revolving Fund Deposits	730,602 31	2,193,643 84
Unreimbursed Expenditures—Special Federal Budgets:		
Federal Aid Grade Separations	$67,272 82	
Access Highways	3,930,748 46	
Flight Strip	3,110 15	4,001,131 43
Unapplied Materials and Stores		1,318,294 16
Reserve and Suspense Accounts		84,554 22
Uncollected Revenue:		
Gasoline Tax	$20,846,088 22 [b]	
Use Fuel Tax	1,162,462 86 [c]	
Motor Vehicle Fees	4,649,370 42	
Federal Aid	31,744,290 40	
Caravan Fees	1,723 75	
	$58,403,935 65	
Less Unbudgeted Revenue Collected:		
Recoveries—U. S. War Damage Claims $34,514 63		
Franchise Tax-Toll Ferries 600 00		
Interest on Investments 104,564 37	139,679 00	58,264,256 65
Total Budgetary Resources		$127,242,361 73

BUDGETARY OBLIGATIONS

State Highway Fund Operating Budget		$115,929,313 40
County Highway Budget:		
Cash Received	$12,469,149 61 [d]	
Less Expenditures	1,266,373 07	11,202,776 54
Accumulated Depreciation		
Buildings	$2,251 02	
Equipment	108,020 77	110,271 79
Total Budgetary Obligations		$127,242,361 73

[a] $10,000,000 of U S Treasury Certificates redeemed in January
[b] Includes January Gasoline Tax Apportionment of $12,445,986 68.
[c] Includes January Use Fuel Tax Apportionment of $639,792 33
[d] Includes County Contributions—$181,684.61 and Federal Aid Collected—$287,465.

CONSOLIDATED STATEMENT—STATUS OF STATE HIGHWAY FUND OPERATING BUDGET AS OF DECEMBER 31, 1946

	Total unexpended balances as of December 31, 1946	*Unexpended balances in outstanding work orders*	*Allocated by commission to particular projects and functions not yet under work order*	*Adjustments by C.H.C. vote January 22, 1947*	*Adjusted allocated by Commission to particular projects and functions not yet under work order*
1 Preliminary Surveys and Plans	$1,179,540 72	$786,197 21	$393,343 51	$300,000 00	$693,343 51
2 Right of Way	3,009,752 69	3,175,885 84	166,133 15	2,000,000 00	1,833,866 85
3 Construction Engineering	4,263,354 05	1,987,916 12	2,275,437 93	1,300,000 00	975,437 93
4 Construction Projects	61,447,008 70	32,632,175 99	28,814,832 71	------	28,814,832 71
5 Bridge Reconstruction	5,543,129 87	2,530,548 37	3,012,581 50	------	3,012,581 50
6 Cities ¼c State Highways	15,530,213 27	3,383,834 45	12,146,378 82	------	12,146,378 82
7 Joint Highway Districts	169,898 86	------	169,898 86	------	169,898 86
8 Contingency Reserve	5,571,807 46	------	5,571,807 46	1,725,000 00	3,846,807 46
9 Cities ¼c City Streets	6,938,576 45	349,041 81	6,589,534 64	------	6,589,534 64
10 Maintenance	5,576,241 31	4,275,030 51	1,301,210 80	1,000,000 00	2,301,210 80
11 Buildings and Plants	1,429,439 05	957,843 23	471,595 82	------	471,595 82
12 Administration	1,133,650 06	1,133,303 01	347 05	------	347 05
13 Traffic Engineering	92,896 07	79,246 30	13,649 77	------	13,649 77
14 Special Investigations	36,551 33	38,508 71	1,957 38	25,000 00	23,042 62
15 Highway Planning Survey	783,044 86	273,628 03	509,416 83	300,000 00	209,416 83
16 New Equipment	1,095,879 84	1,095,879 84	------	------	------
17 Equipment Replacement	2,112,627 57	2,112,627 57	------	------	------
18 County Postwar Projects	15,701 24	15,541 15	160 09	------	160 09
Totals	$115,929,313 40	$54,827,208 14	$61,102,105 26		$61,102,105 26
*Additional Revenue					3,523,542 70
Total					$64,625,647 96

* Additional Revenue:

Gas Tax	$2,600,000 00
Motor Vehicles Fees	667,430 69
Interest	213.007 41
Franchise Tax	600 00
Federal Aid	1,230 00
War Damage Claims	34,514 63
From FAS Budget	6,759 97
	$3,523,542 70

DETAIL OF ALLOCATION (7) ALL OTHER FUNCTIONS

	Pri. North	*Pri. South*	*Sec. North*	*Sec. South*	*Total*
1. Preliminary Engineering	$625,000	$500,000	$275,000	$400,000	$1,800,000
2. Right of Way ($7,000,000—$1,000,000 Rental & Sales credit)	1,500,000	1,905,000	1,475,000	1,120,000	6,000,000
3. Joint Highway Districts	------	------	147,500	------	147,500
4. City ½ cent State Highways	1,373,500	1,364,900	1,137,600	2,324,000	6,200,000
5. San Francisco-Oakland Bay Bridge. Operation, Maintenance, and Insurance	1,150,000	------	------	------	1,150,000
6. Reconditioning and Resurfacing of Existing Highways	1,122,500	1,032,500	1,362,500	482,500	4,000,000
7. Installation of Channelization and Traffic Signals	125,000	100,000	25,000	150,000	400,000
8. Small Projects, including emergency repairs on Highways and Unposted Bridges	75,000	100,000	175,000	100,000	450,000
9. Small Construction Projects, including emergency repairs on Posted Bridges, from Bridge Reconstruction Budget	15,000	10,000	60,000	15,000	100,000
10. Contingency Reserve, Bridge Reconstruction Budget	30,000	22,000	120,000	30,000	202,000
11. Contingency Reserve, State Highway Budget	315,562	418,938	174,000	148,000	1,086,500
12 Reconditioning, Reconstruction, and Construction of Highways & Bridges; Construction Engineering; Convict Camps. State Highway and Bridge Reconstruction Funds	7,046,000	7,599,000	4,856,000	3,460,000	22,961,000
Totals	$13,377,562	$13,082,338	$9,807,600	$8,229,500	$44,497,000
Detail of Item 12:					
Highways and Bridges—State Highway Fund	$6,238,000	$6,468,000	$2,652,000	$2,516,000	$17,874,000
Bridges—Bridge Reconstruction Fund (Incl. Constr. Eng. on Bridges)	184,000	484,000	1,504,000	------	2,172,000
Construction Engineering—State Highway Fund	624,000	647,000	286,000	308,000	1,865,000
Highway Construction with Convict Labor	------	------	414,000	636,000	1,050,000
Totals	$7,046,000	$7,599,000	$4,856,000	$3,460,000	$22,961,000

DEPARTMENT OF PUBLIC WORKS—DIVISION OF HIGHWAYS

Estimated Revenues and Recommended Distribution of 99th Fiscal Year State Highway Fund

Estimated Revenues			
1. Gas Tax		$49,600,000	
2. Motor Vehicle Fees		5,588,000	
3. Use Fuel Tax (Diesel)		2,474,000	
4. Caravan Fees		105,000	
5. Federal Aid		12,000,000	
Total			$69,767,000
Allocation			
1. Administration		$2,724,516	
2. Highway Planning (Includes 1½% F. A. Planning Survey Funds and Traffic Engineering and Special Investigations)		825,484	
3. Maintenance		12,020,000	
(General Maintenance)	$12,000,000		
(Carquinez Bridge)	20,000		
4. Equipment		1,750,000	
(Replacements)	$1,500,000		
(New)	250,000		
5. Major City Streets—¼ cent gas tax allocation		6,200,000	
6. Buildings and Plants		1,750,000	
7. All Other Functions (Reconditioning, Resurfacing, Construction, Engineering, Right of Way, Joint Highway Districts, City ¼ cent for State Highways, Reserve and Contingency)		44,497,000	
Total			$69,767,000

RECOMMENDED DISTRIBUTION OF 99TH FISCAL YEAR STATE HIGHWAY FUND

Allocation of (7) All Other Functions			
1. Primary North	54.21% of 50%	$12,060,912	
2. Primary South	45.79% of 50%	10,187,588	
Total Primary			$22,248,500
3. Secondary North	50% of 50%	11,124,250	
4. Secondary South	50% of 50%	11,124,250	
Total Secondary			22,248,500
Grand Total			44,497,000
1. Primary North		$12,060,912	
3. Secondary North		11,124,250	
Total North			$23,185,162
2. Primary South		$10,187,588	
4. Secondary South		11,124,250	
Total South			$21,311,838
Grand Total			$44,497,000

ANNOUNCEMENT OF COMMITTEE MEETINGS

It was announced that the following committee would hold a meeting today:

At 2 p.m., in Committee Room—

Revenue and Taxation.

ADJOURNMENT

At 12.12 p.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11.30 a.m., Friday, March 21, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

THIRTY-THIRD LEGISLATIVE DAY
SIXTY-EIGHTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Friday, March 21, 1947

The Assembly met at 11.30 a.m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Maloney, McCollister, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—72.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

Make us, O Lord, to have a perpetual fear and love of Thy holy name; for Thou never failest to govern those whom Thou dost solidly establish in Thy love. Who livest and reignest through all eternity—AMEN.

REQUEST FOR UNANIMOUS CONSENT THAT MEMBERS BE GRANTED LEAVES OF ABSENCE IN THE FIRST EXTRAORDINARY SESSION

Mr. Doyle asked for, and was granted, unanimous consent that all members who were given leaves of absence for the day in the General Session be granted leaves of absence for the day in this First Extraordinary Session.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Ralph C. Dills, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

By unanimous consent, the following members were granted leaves of absence for the day, because of legislative business elsewhere:

Mr. Allen.
Mr. Huyck.
Mr. Cramer.

By unanimous consent, the following members were granted leaves of absence for the day, and desired to waive their per diem:

Mr. Debs.
Mr. Lyons.
Mr. Stanley.
Mr. McMillan.

REPORTS OF STANDING COMMITTEES

Committee on Rules

ASSEMBLY CHAMBER, SACRAMENTO, March 21, 1947

MR. SPEAKER: Your Committee on Rules, to which was referred:
Assembly Joint Resolution No. 4
Has had the same under consideration, and reports the same back with the recommendation: Be adopted.

DICKEY, Chairman

Above reported resolution ordered engrossed.

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, March 20, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:
Assembly Bill No. 41
And reports the same correctly engrossed.

WEBER, Chairman

Above reported bill ordered to third reading.

ASSEMBLY CHAMBER, SACRAMENTO, March 21, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:
Assembly Bill No. 29
And reports the same correctly engrossed.

WEBER, Chairman

Above reported bill ordered to third reading.

CONSIDERATION OF DAILY FILE

SECOND READING OF ASSEMBLY BILLS

Assembly Bill No. 18—An act to add Section 512 to the Streets and Highways Code, relating to state highways.

Bill read second time, and ordered engrossed.

Assembly Bill No. 24—An act to add Section 1239.5 to the Code of Civil Procedure, relating to eminent domain and the use of property acquired pursuant to eminent domain proceedings by the State and public agencies.

Bill read second time.

Consideration of Committee Amendments

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 1

On page 1 of the printed bill, following line 19, insert

"This section is not exclusive and its provisions are not a condition precedent to, or a limitation upon, the exercise of any right granted by any other section in this title, or in any other statute."

Amendment read, and adopted.

Bill ordered reprinted, and engrossed.

NOTICE OF MOTION TO RECONSIDER ASSEMBLY BILL NO. 26 CONTINUED

Mr. Wollenberg asked for, and was granted, unanimous consent that his notice of motion to reconsider Assembly Bill No. 26 be continued until the next legislative day.

REQUEST FOR UNANIMOUS CONSENT THAT NOTICE OF MOTION TO WITHDRAW ASSEMBLY BILL NO. 37 BE CONTINUED

Mr. Geddes asked for, and was granted, unanimous consent that his notice of motion to withdraw Assembly Bill No. 37 from committee be continued until the next legislative day.

MOTION TO WITHDRAW SENATE BILL NO. 5 FROM COMMITTEE WAIVED

Mr. Boyd waived his notice of motion that Senate Bill No. 5 be withdrawn from the Committee on Revenue and Taxation, and be placed upon the file.

MOTION THAT AMENDMENTS TO SENATE BILL NO. 5 AS ADOPTED BY COMMITTEE ON REVENUE AND TAXATION, BE PRINTED IN THE JOURNAL

Mr. Burns moved that the amendments to Senate Bill No. 5, as adopted by the Committee on Revenue and Taxation, be ordered printed in the Journal, today.

Point of Order

Mr. Thomas arose to the following point of order: That pursuant to Standing Rule No. 52, Mr. Burns' motion is not in order.

Ruling by Speaker

Speaker Collins ruled that, as the amendments are not at the desk, there is nothing before the House, and that the point of order is not well taken.

Motion That Amendments to Senate Bill No. 5, as Adopted by Committee on Revenue and Taxation, Be Printed in the Journal

Mr. Beck moved that the amendments to Senate Bill No. 5, as adopted by the Committee on Revenue and Taxation, be ordered printed in the Journal, today.

Point of Order

Mr. Dickey arose to the following point of order: That the amendments are not at the desk, and Mr. Beck's motion is out of order.

Ruling by Speaker

Speaker Collins ruled that there is nothing before the House, as the amendments are not at the desk.

Motion That Chairman of Committee on Revenue and Taxation Be Instructed to Recall Amendments to Senate Bill No. 5 From Committee

Mr. Thomas moved that Mr. Hollibaugh, the Chairman of the Committee on Revenue and Taxation, be instructed to recall the amendments adopted to Senate Bill No. 5 in the Committee on Revenue and Taxation, at this time, and that they be ordered printed in the Journal, today.

Mr. Heisinger seconded the motion.

Ruling by the Speaker

Speaker Collins ruled the motion by Mr. Thomas out of order because it was, in effect, a motion to withdraw a bill from committee, which, pursuant to the Standing Rules of the Assembly, requires a two days' notice.

Remarks Upon the Condition of the File

Mr. Field spoke upon the condition of the file, recommending that a sufficient number of copies of a pre-print of the amendments to Senate Bill No. 5, as adopted by the Committee on Revenue and Taxation, be printed.

Remarks Upon the Condition of the File

Mr. Hollibaugh spoke upon the condition of the file as follows: That the needed four copies of the above mentioned amendments are being typed, at this time, by the Secretary of the Committee on Revenue and Taxation, and will be completed by 3 p.m., today.

Motion to Temporarily Suspend Rules

Mr. Cooke moved that the Rule requiring four copies of amendments be temporarily suspended for the purpose of considering the printing of the amendments in the Journal, today.

Ruling by Speaker

Speaker Collins ruled the motion out of order for lack of a second, and remarked that such a motion required a two-thirds vote of the members present.

Point of Order

Mr. Boyd arose to the following point of order: That, pursuant to the Standing Rules of the Assembly, only three copies of amendments are required to be at the desk.

Ruling by Speaker

Speaker Collins ruled that the Standing Rules for the Assembly have been amended, and that four copies of all amendments are now required, and hence there is nothing before the House.

Remarks Upon the Condition of the File

Mr. Boyd spoke upon the condition of the file, and urged a recess until 3 p.m., at which time copies of the amendments will be available.

RECESS

At 12.10 p.m., on motion of Mr. Dickey, the Assembly recessed until 3 p.m.

REASSEMBLED

At 3 p.m., the Assembly reconvened.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

REPORTS OF STANDING COMMITTEES

Committee on Revenue and Taxation

ASSEMBLY CHAMBER, SACRAMENTO, March 21, 1947

MR. SPEAKER: Your Committee on Revenue and Taxation, to which was referred: Senate Bill No. 5

Has had the same under consideration, and reports the same back with amendments with the recommendation: Amend, and do pass, as amended.

HOLLIBAUGH, Chairman

Above reported bill ordered to second reading.

Request for Unanimous Consent That Proposed Amendments to Senate Bill No. 5 Be Printed in the Journal

Mr. Burns asked for, and was granted, unanimous consent that the following proposed committee amendments to Senate Bill No. 5 be ordered printed in the Journal:

Proposed Amendments to Senate Bill No. 5, as Amended in the Senate on March 10, 1947

Amendment No. 1

On page 8 of the printed bill, as amended, strike out lines 47 to 50, inclusive; and on page 9, strike out lines 1 to 3, inclusive.

Amendment No. 1

On page 22 of said bill, between lines 45 and 46, insert

"(f) Any equipment referred to in Sections 39 and 39.5 of the Vehicle Code."

Amendment No. 1

On page 11 of said bill, strike out lines 18 to 34, inclusive, and insert

"288.1. If the construction or improvement of an expressway, or of any other street or highway for the purpose of constituting, extending, relocating, or improving such street or highway as an expressway, reasonably requires the removal or relocation of utility service structures lawfully maintained or operated by any person in such expressway, street, or highway, the department, as a condition of such removal or relocation, shall pay, as part of the cost of the construction or improvement, one-half of the cost of removal and feasibly relocating, either on or off such expressway, all such utility service structures, or, in lieu or in place thereof, of constructing new structures, in such fashion that the relocated or new structures will have at least equal quality and use or service capacity to render the same service in the same area as the structures so removed or relocated.

Such cost includes the reasonable and necessary cost of the incidental restoration of pavement, and such cost of removal and relocation shall be that amount which remains after deducting from the necessary and reasonable total cost all of the following:

(a) The amount of any betterment to the utility service structures resulting from such removal or relocation not in excess of the value of the increased capacity of the structures.

(b) The salvage value of any materials or parts salvaged and retained by such person.

(c) If new structures, or portions thereof, are constructed to accomplish such removal or relocation, an allowance of an amount bearing the same proportion to the original cost of the utility service structures displaced as the age of such structures displaced bears to the otherwise normal expected life thereof.

As used in this section, "person" means any person, firm, partnership, association, corporation, organization or business trust, city, county, public corporation, municipal corporation, irrigation district, flood control district, sewer district, public utility district, municipal utility district, other public district, mutual organization supplying water or telephone service to its members, and any public utility under the jurisdiction of the Public Utilities Commission.

As used in this section, "expressway" means an expressway described in this article or a lateral or stem or route of such expressway.

As used in this section, "in" includes over, under, through, across, and along.

As used in this section, "utility service structure" means any pole, pole line, pipe, pipe line, conduit or other structure used for publicly or privately owned utility services.

It is hereby declared that the use of state highway funds for any of such purposes is for state highway purposes.

The department and any person required to remove or relocate utility service structures as provided in this section may by agreement provide for the respective amounts of the cost to be borne by each. In the event of failure to agree, either party may bring an action in a court of competent jurisdiction for the apportionment of cost between them in accordance with the provisions of this section."

Amendment No. 1

On page 3, line 16, of the said bill, strike out "2011", and insert "2111".

Amendment No. 2

On page 3 of said bill, between lines 25 and 26, insert

"2010. When not otherwise provided by law, each supervisor who uses a privately owned automobile in the discharge of duties imposed upon him in connection with the county road system shall receive for the performance of such duties in addition to the compensation paid him as supervisor, but not for the same mileage for which an allowance is otherwise made by law, six cents ($0.06) per mile for all mileage traveled within a radius of 200 miles from the county seat; for any one trip over 200 miles, six cents ($0.06) per mile for the first 200 miles of said trip, and three cents ($0.03) for each mile traveled in excess of the first 200 miles of said trip, but not more than three hundred dollars in any one year, which shall be chargeable against the $20,000 annual apportionment to the county under the first subdivision of Section 2111."

Amendment No. 1

On page 19 of said bill, strike out lines 44 to 50, inclusive.

Amendment No. 2

On page 37, line 11, of said bill, strike out "29"

Amendment No. 1

On page 13 of said bill, strike out lines 45 to 48, inclusive; and in line 49, strike out "and expended in County Group No. 2", and insert "in each county group in the proportion that the registration of vehicles in such county group bears to the total number of vehicles registered in this State".

Amendment No. 2

On page 14 of said bill, strike out lines 15 to 33, inclusive, and insert

"188 4. Ninety percent of the money available for expenditure in County Groups Nos. 1 and 2 respectively shall be allocated by the commission for expenditure and expended or caused to be expended by the department in each county in each such county group, for the construction of and the acquisition of rights of way for, state highways in each such county in the proportion that the registration of vehicles in each county in the county group bears to the total number of vehicles registered in the county group in which the county is situated."

Amendment No. 1

On page 20 of said bill, strike out lines 1 to 6, inclusive.

Amendment No. 2

On page 37, lines 11 and 16, of said bill, strike out "30".

Amendment No. 1

In lines 16 and 17 of the title of said bill, strike out "Part 4, comprising Sections 9601 to 10501, inclusive, to Division 2 of, and".

Amendment No. 2

Strike out all of pages 22 to 36, inclusive, of said bill; and on page 37, strike out lines 1 to 10, inclusive, and insert

"SEC. 37. Section 372 of the Vehicle Code is amended to read:

372. Weight Fees for Commercial Vehicles. (a) In addition to the registration fee specified in Section 370, there shall be paid fees as set forth in this section for the

registration of every vehicle of a type subject to registration used or maintained for the transportation of persons for hire, compensation or profit or designed, used or maintained primarily for the transportation of property.

(b) For any electric vehicle designed, used or maintained as described in subdivision (a) hereof fees shall be paid for registration according to the following schedule:

	Unladen Weight	*Fee*
(1)	Less than 6,000 lbs	$36.00
(2)	6,000 lbs or more but less than 10,000 lbs.	72.00
(3)	10,000 lbs. or more	96.00

(c) For any motor vehicle having not more than two axles and designed, used or maintained as described in subdivision (a) hereof, other than an electric vehicle, fees shall be paid for registration according to the following schedule:

	Unladen Weight	*Fee*
(1)	3,000 lbs. to and including 4,000 lbs.	$10.00
(2)	4,001 lbs. to and including 5,000 lbs.	20.00
(3)	5,001 lbs. to and including 6,000 lbs.	30.00
(4)	6,001 lbs. to and including 7,000 lbs	40.00
(5)	7,001 lbs. to and including 8,000 lbs.	50.00
(6)	8,001 lbs. to and including 9,000 lbs.	60.00
(7)	9,001 lbs. to and including 10,000 lbs.	70.00
(8)	10,001 lbs. to and including 11,000 lbs.	80.00
(9)	11,001 lbs. to and including 12,000 lbs.	90.00
(10)	12,001 lbs to and including 13,000 lbs.	100.00
(11)	13,001 lbs. to and including 14,000 lbs.	110.00
(12)	14,001 lbs. and over	120.00

(d) For any motor vehicle having three or more axles and for any trailer or semi-trailer designed, used or maintained as described in subdivision (a) hereof other than an electric vehicle, fees shall be paid for registration according to the following schedule:

	Unladen Weight	*Fee*
(1)	2,000 lbs to and including 3,000 lbs.	$8.00
(2)	3,001 lbs to and including 4,000 lbs.	15.00
(3)	4,001 lbs to and including 5,000 lbs.	30.00
(4)	5,001 lbs. to and including 6,000 lbs.	45.00
(5)	6,001 lbs. to and including 7,000 lbs.	60.00
(6)	7,001 lbs. to and including 8,000 lbs	75.00
(7)	8,001 lbs to and including 9,000 lbs.	90.00
(8)	9,001 lbs. to and including 10,000 lbs.	105.00
(9)	10,001 lbs to and including 11,000 lbs.	120.00
(10)	11,001 lbs to and including 12,000 lbs.	135.00
(11)	12,001 lbs to and including 13,000 lbs	150.00
(12)	13,001 lbs. to and including 14,000 lbs.	165.00
(13)	14,001 lbs to and including 15,000 lbs.	180.00
(14)	15,001 lbs. and over	200.00"

Amendment No. 3

On page 37, line 11. of said bill, strike out "37, and 37.5", and insert "and 37".

Amendment No. 1

In line 7, of the title of said bill, after the second comma, insert "183,".

Amendment No. 2

In line 9 of the title of said bill, after the third comma, insert "80, 81.".

PRINTER'S NOTE—There being no 7-point strikeout type available, the material which should appear in strikeout type in the following amendment is indicated by being enclosed within brackets.

Amendment No. 3

On page 13 of said bill, between lines 36 and 37, insert

"SEC. 3 3. Section 80 is added to the Streets and Highways Code, to read:

80 The commission shall once each year, in even numbered years before the thirty-first day of March and in odd numbered years before the fifteenth day of January, submit to the Governor a report and proposed budget, including estimated costs of maintenance and construction of state highways and recommendations for the ensuing year, for inclusion in the Budget Bill of an item of appropriation for state highways.

SEC. 3.5. Section 81 is added to said code, to read:

81. The commission shall budget all expenditures authorized for highway purposes, and shall submit once each year, in even numbered years before the thirty-first day of March and in odd numbered years before the fifteenth day of January, to the Legislature at its regular general or budget session, a report and proposed budget including all proposed expenditures for maintenance and construction for the ensuing year. After the first proposed budget has been submitted as provided herein there shall be included in such report a statement of reasons for increases or other changes in the budget of the year immediately preceding.

SEC. 3.7. Section 183 of said code is amended to read:

183. With the exception of money authorized by law to be deposited in the state highway general fund, all money available for the acquisition of real property or interests therein for state highways, or for the construction, maintenance or improvement of state highways or highways in state parks shall be deposited in the State Highway Fund. The moneys in said fund [are] *when specifically* appropriated [and] *by the Legislature* shall be allocated and expended for the purposes and in the manner provided in this code *except to the extent otherwise provided by the Legislature*"

ADJOURNMENT

At 3 05 p.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 12 m., Monday, March 24, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

THIRTY-FOURTH LEGISLATIVE DAY
SEVENTY-FIRST CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Monday, March 24, 1947

The Assembly met at 12 m.

Hon. Thomas A. Maloney, Speaker pro Tempore of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Nicholson, O'Day, Price, Robertson, Rosenthal, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—75.

Quorum present.

PRAYER

Upon request of the Speaker pro Tempore, the following prayer was offered by the Very Rev. Monsignor Thomas A. Kirby.

O My God, who seest that we are wholly destitute of strength, do Thou keep us both inwardly and outwardly, that our bodies may be preserved from all adversities and our minds be cleansed from evil thoughts, through Christ Our Lord—AMEN.

PLEDGE OF ALLEGIANCE TO THE FLAG

Upon request of the Speaker, the Assembly gave the pledge of allegiance to the Flag.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Weber, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

By unanimous consent, the following member was granted leave of absence for the day, because of illness:

Mr. Cramer.

By unanimous consent, the following member was granted leave of absence for the day, and desired to waive his per diem:

Mr. Burke.

MOTION TO APPROVE JOURNALS

On motion of Mr. Dickey, the Journals for Monday, March 17, 1947; Tuesday, March 18, 1947; Wednesday, March 19, 1947; Thursday, March 20, 1947; and Friday, March 21, 1947 were approved as corrected by the Minute Clerk.

REPORTS OF STANDING COMMITTEES

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, March 22, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:
Assembly Bill No. 24
And reports the same correctly engrossed.

WEBER, Chairman

Above reported bill ordered to third reading.

ASSEMBLY CHAMBER, SACRAMENTO, March 21, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:
Assembly Joint Resolution No. 4
And reports the same correctly engrossed.

WEBER, Chairman

Above reported resolution ordered on file for adoption.

ASSEMBLY CHAMBER, SACRAMENTO, March 21, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:
Assembly Bill No. 18
And reports the same correctly engrossed.

WEBER, Chairman

Above reported bill ordered to third reading.

RECESS

At 12.20 p.m., on motion of Mr. Dickey, the Assembly recessed until 2.45 p.m.

REASSEMBLED

At 2.45 p.m., the Assembly reconvened.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

COMMUNICATIONS

By Speaker Collins:

The following communication was received, read, and ordered printed in the Journal:

RECONSTRUCTION FINANCE CORPORATION
WASHINGTON, D. C., March 19, 1947

Mr. Arthur A. Ohnimus
Chief Clerk of the Assembly of the California Legislature
State Capitol, Sacramento 14, California

DEAR MR. OHNIMUS: This will acknowledge the receipt of your letter of March 7, 1947 with which was enclosed a copy of House Resolution No. 21 as printed in the Assembly Journal of March 6, 1947 and as adopted by the Assembly during the Fifty-seventh (First Extraordinary) Session

It is noted that the resolution favors making available federal money through the Reconstruction Finance Corporation to the scheduled air lines and asks that this corporation act favorably upon the applications of those air carriers entitled thereto for loans.

This will advise that any and all applications by air carriers for loans from this corporation will receive our prompt and careful attention.

Sincerely yours,

CHARLES B. ANDERSON, Chairman

REQUEST FOR UNANIMOUS CONSENT THAT ASSEMBLY BILL NO. 37 BE WITHDRAWN FROM THE COMMITTEE ON WAYS AND MEANS, BE PLACED UPON THE FILE, AND BE RE-REFERRED

Mr. Geddes asked for, and was granted, unanimous consent that Assembly Bill No. 37 be withdrawn from the Committee on Ways and Means, be placed upon the file, for purpose of amendment at this time, and be re-referred to the Committee on Ways and Means.

CONSIDERATION OF ASSEMBLY BILL NO. 37

Assembly Bill No. 37—An act making an appropriation for the construction and maintenance of the State Highway System.

Bill read second time.

Motion to Amend

Mr. Geddes moved the adoption of the following amendment:

Amendment No. 1

On page 1, line 3, of the printed bill, strike out "seventy million dollars ($70,000,000)", and insert "forty-five million dollars ($45,000,000)".

Amendment read, and adopted.

Bill ordered reprinted, and engrossed.

REQUEST FOR UNANIMOUS CONSENT THAT SIXTH AND SEVENTH TRANSCRIPTS RELATIVE TO STATE HIGHWAY SYSTEM BE ORDERED PRINTED IN JOURNAL

Mr. Hollibaugh asked for, and was granted, unanimous consent that the sixth and seventh transcripts, taken at hearings before the Committee on Revenue and Taxation, on the California State Highway System, be ordered printed in the Journal.

Above mentioned transcripts will appear prior to the motion to adjourn.

NOTICE OF MOTION TO RECONSIDER ASSEMBLY BILL NO. 26 CONTINUED

Mr. Wollenberg asked for, and was granted, unanimous consent that his notice of motion to reconsider Assembly Bill No. 26 be continued until the next legislative day.

REQUEST FOR UNANIMOUS CONSENT TO SET SPECIAL ORDER

Mr. Burns asked for, and was granted, unanimous consent that Senate Bill No. 5 be made a special order of business for Wednesday, March 26, 1947, at 2 p.m.

CONSIDERATION OF DAILY FILE
THIRD READING OF ASSEMBLY BILLS

Assembly Bill No. 41—An act to provide for the recruiting and training of additional members of the California Highway Patrol, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

Bill read third time.

Urgency Clause

Urgency clause read, and adopted by the following vote:

AYES—Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burns, Butters, Caldecott, Carey, Clark, Collier, George D. Collins, Conrad, Cooke, Crichton, Crowley, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, Price, Robertson, Silliman, Stanley, Stephenson, Stewart, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—70.

NOES—None.

The roll was called, and the bill passed by the following vote:

AYES—Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burns, Butters, Caldecott, Carey, Clark, Collier, George D. Collins, Conrad, Cooke, Crichton, Crowley, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, Price, Robertson, Silliman, Stanley, Stephenson, Stewart, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—70.

NOES—None.

Bill ordered transmitted to the Senate.

BILLS WITHDRAWN FROM ACTIVE FILE, AND PLACED ON THE INACTIVE FILE

Assembly Bill No. 29, on motion of Mr. Geddes.

HEARING BEFORE THE COMMITTEE ON REVENUE AND TAXATION ON THE CALIFORNIA STATE HIGHWAY SYSTEM

Assembly Chamber, State Capitol Building
Sacramento, California, March 10, 1947

Monday, March 10, 1947, 2 p.m.

CHAIRMAN HOLLIBAUGH: This is a meeting of the Revenue and Taxation Committee of the Special Session of the Assembly. I will now call the roll.

(Thereupon the roll call was taken, the following members being present:)

GLENN ANDERSON
RALPH BROWN
CHARLES CONRAD
JOHN EVANS
ERNEST GEDDES
AUGUSTUS HAWKINS
W. E. JAMES
ROBERT KIRKWOOD
T. FENTON KNIGHT
ALFRED ROBERTSON
MARVIN SHERWIN
A. I. STEWART
VINCENT THOMAS
LAUGHLIN WATERS
JONATHAN HOLLIBAUGH
Chairman

Members absent:

ALBERT WOLLENBERG
CLAYTON DILLS

There is a quorum present. I wish to announce before we start that this is a continuation of several meetings we have had in the past. For the benefit of those who have not attended a meeting before, we are hearing testimony on the special session highway bills, particularly Assembly Bill No. 1, which is creating a highway users fund; Assembly Bill No. 6, the gas tax raise from three cents to six cents; Assembly Bill No. 7, use fuel tax; Assembly Bill No. 8, the transportation and weight tax; Assembly Bill No. 12, exempts us from the fuel tax.

Now, this meeting is open for discussion on the whole highway problem and we have invited many representatives of organizations to appear here to give the committee the benefit of their views in this matter.

Today the first gentleman whom we will hear is Mr. Richard Graves, Executive Vice President of the League of California Cities, who has been invited to give us the benefit of the views of the cities in any recommendation they care to offer. Mr. Richard Graves, will you please take the microphone.

MR. GRAVES: Mr. Chairman, members of the committee, I would like first to express our appreciation for this opportunity to present our views to the committee. The cities of the State as a whole have a very great interest in this program. The people who live in the cities have a very great stake in them. I'd like also to preface my remarks by expressing our high opinion of the work done by the joint interim committees of the two Houses of the Legislature, the Joint Committee on Highways, Streets, and Bridges, and particularly also to the members of their staff

who did such a fine job in preparing the basic factual material which is available to all of you.

I think it can be said that no other Legislature has ever had presented to it a better or sounder factual basis for the consideration of any major public question. I think Mr. Hollibaugh, who is also a committee man, will know what I mean when I say that it is hard to get people to read things, and as we send out our materials, we know that they are not as widely read as we would hope. I can, I think, fairly express the hope that the members of the Assembly can and will take the time carefully to study this document because any careful study of it would do so much to eliminate a great deal of the confusion, misunderstanding that is so prevalent in the legislative consideration of this question.

I want also to say in general, as I refer to specific matters, I am, Mr. Chairman, unfortunately referring to provisions of Senate Bill No. 5 since that is the bill with which we have done most of our work and with which I am personally familiar, and, of course, we will consider and express our views on the Assembly bills as you are prepared to act on them, but inasmuch as Senate Bill No. 5 is the most comprehensive expression of our views now before the Legislature, I'll inevitably be referring in principal part to it.

Now, Mr. Chairman, I think that I might best begin what I want to say by reading the full text of a short resolution adopted by the Board of Directors of the League of California Cities at its meeting on March 1, 1947, since it is the best summary expression of our opinion and position that I could make. (Reading)

"The Board of Directors of the League of California Cities believes the *immediate* construction and maintenance of an adequate state highway, county road and city street system is vital to the safety, welfare and economic development of the State of California.

"Intolerable congestion, lack of adequate street, road and highway capacity and safety standards result in 3,800 deaths and 80,000 injuries annually. The immeasurable cost of these human losses is in addition to the measurable and immediate economic costs in loss of time, of wages, in higher insurance premiums, the recent increases of which alone cost the average motorist more than his share of providing better highways. Add to this medical and hospital care and the damages to property. The people of the State cannot afford to wait any longer for safe and efficient highways.

"The Board of Directors of the League of California Cities approves the principles of the highway user taxes and the expenditure provisions set forth in Senate Bill No. 5, now pending before the State Legislature.

"Specifically, the Board of Directors of the League of California Cities recommends:

"1. The immediate adoption of a highway user tax program to increase the state gasoline tax from 3 cents to 5 cents a gallon, and a schedule of supplementary user taxes to provide the equivalent of an additional 1 cent of gas tax in new revenues with such supplementary taxes to be raised from taxes upon trucks and other commercial vehicles, diesel taxes, registration fees and drivers license fees. It is imperative that these highway user tax revenues raise the equivalent of 3 cents of gasoline tax in new, additional revenue;

"2. Trucks and other commercial vehicles should be required to pay their fair share of the new highway user taxes in addition to basic fuel taxes, particularly in view of the problems they create on the highways. In considering such taxes, attention should also be given to the possible need for more adequate regulation of the weight, length, width and height of trucks, trailers and busses. Special attention should be given to the lack of any provision in the present law that overloaded trucks be required to leave the overload at checking stations before being allowed to continue;

"3. We believe the present provisions of Senate Bill No. 5, allocating the equivalent of five-eighths of a cent of gasoline tax for city street purposes represent the minimum recognition of the needs of these streets which state surveys show carry 43 percent of the total volume of traffic on all streets, roads and highways in the State. These city streets which now earn more than 43 percent of the highway user taxes are allocated only 44 percent of such state taxes for their construction and maintenance. The balance must be paid by property taxpayers in the cities;

"4. In view of the demand of the people for a truly modern highway system, the directors of the league feel compelled to insist that Senate Bill No. 5 continue specifically to provide for the rural-urban expressway system, including the metropolitan expressways.

"The league directors are in sharp disagreement with those who, for whatever purposes, contend that a revenue program less than that provided in Senate Bill No. 5 would be sufficient to build California's highways, roads and streets up to an adequate standard within a reasonable period of time. We cannot agree with those who urge the Legislation to gamble with the lives of the people in the hope that some lesser schedule of user taxes will some day produce the money required now to develop a modern street and highway system.

"The schedule of higher user taxes proposed in Senate Bill No. 5 would cost the average family operating a passenger car $18.57 a year, *only 5 cents a day,* for this modern street and highway system. We are confident that any true expression of the wishes of the people of the State, based upon an understanding of actual cost to them, will result in a demand for the immediate adoption of a highway program based upon the principles established in Senate Bill No. 5."

Commenting now in support of the resolution, it isn't necessary to attempt to prove that our present streets and highways are hopelessly inadequate and that they are congested. The question appears to arise as to whether and when we should undertake their substantial improvement. We take the position that immediate action is required right now.

It is difficult to contend on any basis that when you have within your power the means to remedy a condition which is costing in lives and in injury and damage to the people of the State that our street and highway systems are costing, that there can be any legitimate justification for delay.

But, going from that to this need in our State for a tremendous expansion of business and industry, you must realize that any such industrial and commercial expansion absolutely requires and is directly

reflected in the requirements for our street and highway transportation system. Every new important business location, every new industrial establishment that is brought into our State aggravates already congested conditions to the point where they become intolerable. They also retard and frequently delay desirable and necessary business and industrial expansion which would contribute to the solid base of employment within the State. We can't find any legitimate reason for further delay in providing the funds necessary for an adequate expansion of our highway needs.

The next point that I want to make and emphasize is that the people of the State of California are already paying more than these new highways would require, but they are not getting the highways. For example, as you measure costs, it is impossible to place a monetary cost on 3,800 lives. It is possible to place some monetary cost on 8,000 injuries in the costs of accidents in hospital and medical care, in loss of wages—those are reasonably measurable. The higher insurance cost that we have recently been called upon to pay, cost every car owner who is insured about twice what this new highway program would cost them. That is just the last insurance raise, about 33⅓ percent in my case. It cost me twice as much as this bill would cost me, and I still haven't got the highways.

About 40 percent of the cars in California are insured. Based on the premium rates in 1945 we paid $74,500,000 a year for automobile insurance. If all cars were covered on the present basis of the insurance rate, it would cost $186,000,000 a year for automobile insurance in California. That is a very great deal more than anyone is proposing that we spend for this new highway system, but still we haven't got the highways.

There are two measurable costs in connection with the congestion in the streets and highways. For example, the Automobile Association of Southern California discovered in a test car that on the highway they got 22.27 miles per gallon of gasoline. On a congested city street in Los Angeles, a typical congested city street, they got 8.7 miles per gallon of gasoline. The difference in gasoline consumption to the average motorist would, I'm sure, more than pay every day for his contribution to the cost of this new program. That can further be documented by a study made by the Illinois Division of Highways which calculated that it costs .188, not quite 2 cents—not quite two-tenths of a cent to take a car going 35 miles an hour to stop it and to get it back to 35 miles an hour.

Those of you who come from the metropolitan areas—that isn't even accurate. Those of you who drive automobiles anywhere, particularly in the cities, realize how much gasoline is wasted, unused, in coming to stops and waiting for stop lights, in missing the light even in the highly congested streets and waiting out two or three, and as a sidelight, it might be interesting to the Assemblyman from the central district of Los Angeles County to attempt to measure how much of the air pollution problem of the downtown section is actually caused by automobiles coming to a stop and starting again in the downtown district. I think from my own personal experience it is a measurable part of your problem of air pollution in the County of Los Angeles.

To this, if we could add it, would be the cost not of just the inconvenience to anyone, but in actual loss of money due to driving of people

who are working, loss in time and wages while they are driving cars and trucks in the congested areas.

How much time is lost by congestion? A trucker whose cost of operation, particularly in the cities, is materially affected by congestion, pays men to drive trucks when their time is lost in congestion and delay. Surely he could be made to understand the possibility, if not the probability, of an actual net economic gain to him in the freedom of traffic movement on better streets and highways.

From the standpoint of the cities also, we are concerned about the extent to which congestion is forcing an artificial decentralization of the cities. In the central business district of all the larger cities before the war, they were breaking apart due largely to congestion. It isn't for us to be concerned only with the equity, the ownership interest of whoever owns that downtown district, but what we have a reason to be concerned about is the tremendous loss in the assessed valuation of the central districts, which is the backbone of the financial support of the city government. I think all of you who understand the ad valorem tax know that that tax amounts to much more in the district, business districts of a city than the average residential properties in terms of costs, and of services rendered. It costs more to service the residences than it does to service the downtown properties, and as these values decline in the city of Los Angeles, for example, the losses in assessed valuation in the central district have caused a serious situation.

That came about in some considerable part because of traffic congestion, the inability of people to get into the area or get through it. It resulted in many developments which would not have occurred otherwise, some desirable and some not.

Take for instance the new residential development in Sacramento. Most of that development is occurring in the section out the H Street Road, practically all of it. There are hundreds and hundreds of homes being built out there. As those people attempt to drive into the city of Sacramento from day to day, they will require—and I think those people in the city or in the State Highway Department know they will require a complete redesign of H Street Road, or some other important thoroughfare to replace the H Street Road. It is this breaking up of the cities that is causing some considerable part of our financial problem, and they bring new expenditures, and the revenue capacity of the city is correspondingly reduced.

If we had a traffic system within the cities where people could move freely into the city and through it, it would do a great deal to stabilize our whole position.

Now, I wanted to speak to you for a moment about why we believe the city street's needs must be recognized in any highway program. You realize that 71 per cent at least of the population of the State lives within the city. In general, with the notable exception of San Francisco, all registration follows population, so that we can say with some confidence that about 70 percent of the motor vehicles of the State are registered within the cities.

I told you a moment ago that 43 percent of all vehicle miles traveled in the State are traveled on city streets. Fifteen percent of the total vehicle mileage is on state highways within the cities. That makes 58 percent of the total vehicle miles in California are traveled within the cities. Sixty-seven percent of all the accidents that occur, occur within

the cities. On these city streets which carry 43 percent of the traffic, the State now spends 4.4 percent of all state highway user tax.

In addition 13 percent is spent on the state highways within the cities, or 17.4 percent of the highway user taxes are spent within the cities on streets and highways carrying 58 percent of the traffic; and because of the lower miles per gallon that I mentioned a few moments ago, we can also contend that on these streets and highways within the cities is earned very much more than 58 percent of the total highway user revenue.

The cities at the request of the Joint Interim Committee of the Legislature submitted estimates of their street needs projected over a period of 10 years. The total amount set up in their estimate as their construction and maintenance requirements within the next 10 years was $1,028,937,000. This figure was cut by the staff of the committee to $603,-645,000, or down to 58.6 percent of the indicated sum.

Now, some of the opponents of this highway program have contended that the city street requirements are far too high and are insupportable. Whether that comment goes to the original figure of $1,028,000,-000, or whether it is directed equally to the $603,000,000. I can't say, but in commenting upon the original figure, a regional representative of the Public Roads Administration had this to say about the cities' estimates of their needs. He felt that they had inadequately provided for their future requirements and particularly that they had overlooked the need for additional grade separation requirements when they submitted these figures.

Even so, if you take either figure, the 1,000,000,000 or the 603,000,-000, and compare it with the amounts proposed to be allocated to the cities within the next 10 years in Senate Bill No. 5, the figure proposed is $169,932,000 to the cities for construction and maintenance on major streets and secondary streets, which means that by whatever device you measure, the local property taxpayer will still make a very substantial contribution to his city street requirements, and I personally believe that he should.

I want also to direct the attention, particularly of the representatives from the metropolitan areas, to the fact that the original recommendations of the staff of the committee were that 17.2 percent of all highway user revenues be allocated to the cities. Now, this percentage assumed the inclusion in the city allocation of an amount for the construction of 67½ miles of metropolitan freeways. We did not believe that metropolitan freeways could be constructed on the basis of action by individual cities. We felt rather that they had to be built by the State in conformity with a state-wide plan, and we are ourselves, therefore, proposing that this proposed allocation, something like $215,000,000 or $16,-000,000 which at that time was fixed and corrected to $265,000,000, we proposed that that allocation to the cities be withheld and reserved to the State in order that the metropolitan freeway system could be constructed as a part of the over-all expressway system.

We believe that the urban-rural expressway system ought to be and must be set up specifically in any highway program which we hope this Legislature will adopt, and with regard to that, Mr. Kennedy in his engineer report, made the remark that in his opinion the urban freeways is priority No. 1 in the total highway system.

The officials of the league believe that the cost of this new highway system should be spread fairly and equitably among all the kinds of users of the highways. And finally, Mr. Chairman, we do not believe that any revenue program producing less than that proposed in Senate Bill No. 5 can build within the next 10 years or so anything like the adequate State Highway System which the needs of the State so clearly require.

CHAIRMAN HOLLIBAUGH: According to our custom, we will let the speaker make his full presentation and then the members of the committee are permitted to ask questions. Mr. Thomas.

ASSEMBLYMAN THOMAS: Did I understand you to say that the League of California Cities have endorsed Senate Bill No. 5?

MR. GRAVES: What I said, Mr. Thomas, was that we have endorsed the basic principles of Senate Bill No. 5. Now, if there is any question that you wish to ask me with regard to what is intended by that, I'll be very pleased to answer.

ASSEMBLYMAN THOMAS: I would like to ask this one question. Of this program proposed by Senate Bill No. 5, $67,500,000 annually will be raised or paid by the motorist, and $19,000,000 will be paid by the trucking industries, including the busses and trucks. I would like to know whether or not that is an equitable distribution of cost of improvement and construction of this highway program?

MR. GRAVES: Well, you have put your finger on exactly the reason why I said, and why our board did not say they endorsed Senate Bill No. 5 exactly as it is written. I want to give you a full complete answer on any question you ask me. Our organization is made up of city officials. They are not expert, for example, in the complexities of truck taxes. They were not prepared to say, for instance, that they endorsed the ton-mile tax or any other particular form of tax, but they do ask this committee and the Legislature to impose upon the trucks the full fair share which they should pay, based upon their use and occupancy of the highways, and it is not for an organization of city officials to determine that, but we would support you or any other Member of this Legislature who adopted the principle that trucks and other commercial vehicles should pay their full fair share; and while I'm commenting on that, I would like to add one point because the only testimony I have heard before the Legislature from the truck interests was in the Senate, and the position taken there in effect was that they not only did not want to pay any increased share of an added highway program, but they wanted some of the existing taxes repealed. Now, I did not think that that was a fair position, and so we are taking the position that whatever a fair tax would be upon the trucks based upon their use of the highways, that should be imposed in whatever amount and by whatever device the Legislature feels is most suited.

ASSEMBLYMAN THOMAS: In other words, your organization didn't take under consideration the high cost level of production, or the present cost level and hoping that it will drop in five years.

MR. GRAVES: Pardon me, Mr. Thomas, have you left the truck tax matter?

ASSEMBLYMAN THOMAS: Yes.

MR. GRAVES: Will you restate that because I was still on trucks. Will you tell me what you meant by that statement.

ASSEMBLYMAN THOMAS: In other words, your organization in making the recommendation which you have just read, did not take under consideration the present cost level?

MR. GRAVES: Yes, of course, we did.

ASSEMBLYMAN THOMAS: You did?

MR. GRAVES: Oh, yes. Did anything I said indicate that we didn't?

ASSEMBLYMAN THOMAS: You do not come out specifically making any suggestions that would be constructive to the Legislature. You came out in generalities and said you are for a highway program, but you didn't come out and tell us how it is going to be financed. You didn't take under consideration how many freeways will be constructed in the rural districts in comparison to the metropolitan areas. You did mention the fact of all the accidents in the metropolitan districts.

MR. GRAVES: Mr. Thomas, with regard to your statement as to what we said. We said we wanted a 5 cent gas tax. That is express. We said we wanted the equivalent of an additional 1 cent of gas tax spread over, and we named them, trucks and other commercial vehicles, diesel taxes, registration fees and drivers license fees. Now, when you say you want the equivalent of 1 cent gas tax from those sources, you want $25,000,000 a year from those sources. Now, we didn't feel that it was necessary for us to say to the Legislature that a particular sum in dollars should be raised from truck taxes because we are not experts in trucks. You have people advisedly who are, but we did express that we wanted the equivalent of 1 cent of gas tax raised from among those designated sources.

ASSEMBLYMAN THOMAS: All right. I'm just asking the questions for information. I'm not trying to discredit your statement. Please understand that. One question is that since 60 percent of the gas tax comes from the Southern California area, is it your opinion that 60 percent of the moneys allocated should go to Southern California?

MR. GRAVES: Mr. Thomas, I was surprised that wasn't your first question because I'd rather expected that it would be. Now, I'm not going to try to fool you. We are a state-wide organization. The cities of the entire State are in our membership, and we have not taken, and cannot take, a position on a north-south division. We did endorse the principle set forth in Senate Bill No. 5. That is another point that you must bear in mind, and there is a basis of north-south division in Senate Bill No. 5, but my board of directors was not willing to say that any percentage other than that which is established by the principles set forth in Senate Bill No. 5 was approved by us.

There were those who urged that we adopt the 60-40 formula and there were those who urged that the north needed more money than the south. The principle established in Senate Bill No. 5 establishes an allocation which gives the south more than the north. We endorsed the principle, but not a fixed percentage.

ASSEMBLYMAN THOMAS: That is the amended bill does not provide for equal distribution?

MR. GRAVES: No, I didn't say that. I said an advantage to the south.

ASSEMBLYMAN THOMAS: These cards were solicited to all the Members of the Legislature, 20,000 of them. Over on the Senate side they are not going to distribute them. I have received about 150 from the people in the district which I represent, friends of mine, and they are all opposed

to an increased gasoline tax. Would you say this card which is solicited—would you say the questions on this card were fairly asked?

MR. GRAVES: No, they are deliberately designed to produce the result which they have produced, that is, a direct verdict, being in the same language as, "Have you stopped beating your wife?"

ASSEMBLYMAN THOMAS: In other words, these cards have been so designed as to get an answer from the party signing them that would make the Legislature believe that the people were against the increased gas tax?

MR. GRAVES: Yes, precisely, and the tremendous expense involved in this distribution and their delivery here was designed obviously not to get a fair expression, but to get a direct verdict, and I venture to say that if one or two Assemblymen would take the trouble to write to every person who sends them one of those cards and state the position a little more fairly and ask them for another expression of their views, I think the results would be surprising. If that card had stated the facts of the highway situation, what it would cost to improve them, and had asked whether they were willing to pay a certain tax in order to get a certain result, I think the verdict would have been quite different.

ASSEMBLYMAN THOMAS: Does your organization take any stand on the amendment which was placed in Senate Bill No. 5, since we are talking about the generalities of the subject, whereby public utilities would be compensated for any inconveniences they would undergo in the construction of the freeways?

MR. GRAVES: We didn't take a position, no.

ASSEMBLYMAN THOMAS: That amendment is in there.

MR. GRAVES: A part of it is in there. With respect to the publicly owned utilities, as I read it, it is in there, but with regard to privately owned utilities, it is not.

ASSEMBLYMAN THOMAS: Has your organization any objection to inserting an amendment that would include private as well as public utilities.

MR. GRAVES: As I indicated in the first instance, there was a motion that we opposed the whole thing even as to public utilities, and the motion was lost and the other motion was lost and there was no position taken, so that we would take no position.

ASSEMBLYMAN THOMAS: In other words, you would not object if an amendment to include the privately owned utilities were to be placed in the bill also?

MR. GRAVES: Under my present instructions, I would have no position at all.

CHAIRMAN HOLLIBAUGH: Mr. Geddes.

ASSEMBLYMAN GEDDES: Mr. Graves, I just want to get the record straight here. I think you have been trying to keep it so, but the last replies that you made to Mr. Thomas, particularly with regard to the post cards and how they should be prepared, or how we should prepare our questionnaires, are of particular interest to me for this reason. We have had—last week we have had hearings on this matter, and we have asked not only experts, but what you might call principal witnesses to please help us determine these points, what, where, why, and how. And so far, outside of the Kennedy amendments, which is certainly specific, and has been added to, we don't get very much except how much should

be spent over a period of X years. I think you touched on it when you said we want them now, immediately.

How much of this whole program as proposed in Senate Bill No. 5, to be specific, do you think we could get now and stop these traffic deaths? That is the question we want to ask, and to which I think we are entitled to an answer.

MR. GRAVES: Certainly you are. Will you ask me the questions one at a time?

ASSEMBLYMAN GEDDES: Do you believe it is good business before we start to do something, to say, "What?"

MR. GRAVES: Yes.

ASSEMBLYMAN GEDDES: And so we are agreed on that. The "what" is highways, and then the next question we ask in business is, "Why?" Maybe it comes first. Well, there are a number of reasons. The most spectacular is the traffic deaths and traffic accidents, 67 percent of which occur in the cities. So "Why?" is a good question, isn't it?

MR. GRAVES: Yes, and I think the answer as to why is before you.

ASSEMBLYMAN GEDDES: Then, when it comes to log rolling, the next question is "Where?"

MR. GRAVES: Well, without regard to log rolling—now, as far as Senate Bill No. 5 is concerned, in its present form, it refers to an issue of the Senate Journal in which project detail, project by project, county by county, cost by cost is built up. I don't think that you could be more specific than that.

ASSEMBLYMAN GEDDES: All right. So we would incorporate it by reference, but it is also good to incorporate it in the bill, and that would be the where, wouldn't it?

MR. GRAVES: Well, I would be inclined to question it primarily from this standpoint, that the Highway Department is responsible to the Legislature. Anything that you do now, you can undo. If you pass a statute directing them generally as to what you want with regard to those projects listed, they can work on it, but if you incorporate that whole list into the statute, I don't think you would accomplish what you want to because in 10 years projects which are placed in there, you might want to substitute something quite different, but you have given the people affected by that project a vested interest in it, and it would confine a program far more than I think you would want in the long view.

ASSEMBLYMAN GEDDES: Assemblyman Dills was referring to that in some of his questions the other day. He wanted to know why a program authorized and presented and pretty well agreed upon as being a deficiency program had been sidetracked in parts and other projects undertaken in counties at some distance removed from those originally set up, and still the major deficiencies hadn't been solved and they are still before us. I agreed with Mr. Dills, and I think most of the Legislature will agree with both of us. If the Legislature is wise enough to raise taxes to consider the whole program, it is certainly entitled to know and perhaps wise enough to give an okeh to that general program.

MR. GRAVES: Well, you used the word at the beginning, Mr. Geddes, "log rolling."

ASSEMBLYMAN GEDDES: Yes.

MR. GRAVES: With the greatest of respect, and I mean that sincerely, you would not seriously want to make project by project appropriation a

matter of legislative action, would you, or you would have men seeking to serve their district and it would destroy the State Highway System.

ASSEMBLYMAN GEDDES: I quite agree with you because we have seen a good deal of that now. In other words, where does this original estimate —how did it start to grow up? First we are taking about $1,800,000,000, and now we are into $2,000,000,000.

MR. GRAVES: I really want to answer that one. With regard to the first critical deficiency report, Mr. Purcell testified the other day that that was prepared, and I recall it well, that was prepared at the request of the Legislature, and that request asked them to make up a list of the then existing critical deficiencies on the State Highway System, what it would cost to bring that system up to the standard required to meet the traffic needs of that time and based upon the then existing costs, which, say was 1941. Now, Mr. Purcell testified that that amount was $695,000,000 when they got through. It was $630,000,000 when you started, and you added additional rights of way which brought it up to $695,000,000.

Now, Mr. Geddes, Mr. Purcell testified that costs have gone up 50 percent. If you will apply to that $695,000,000 a single corrective factor of cost increase, it will go well up over $1,000,000,000. Now, there is a lot of this difference. Now, then, in addition this new request made of the department by the Collier committee did not ask them how much it would cost to bring a project up to standard for the present traffic. It said, "What will that highway program require in 10 years, 1956?"

Now, let's go back to what Mr. Robertson asked Mr. Purcell and Mr. McCoy that day in regard to about seven miles of highway between Sacramento and Mills, and Mr. Robertson made quite a point of the tremendous difference in cost.

Now, if I can make this clear, I'll have told you the whole story of the difference between the first and the second deficiency report. In the first estimate, the estimated cost shown was based on the construction of two new lanes principally in the existing right of way, using a four-foot dividing strip, and did not include resurfacing the existing lanes and did not contemplate controlled access. It did not contemplate limiting access. It was not at all up to any freeway or expressway standard. Some minor addition to the right of way was proposed at the intersections.

The estimated cost shown in the second report was based on a controlled access, four-lane, divided expressway. It contemplates a 30-foot division strip, two new lanes, resurfacing the old lane and right of way width of not less than 160 feet. Now, developments adjacent to the right of way have materially increased the cost of right of way since the first report was made. But, don't you see that what was done in the first instance was to say what it would take as of 1941 cost to bring that highway up to the traffic standards of 1944; and what was done in the second case was to project that highway to 1956, taking into account all of the new developments and the needs of traffic in 1956 and bring it up to an expressway standard. Now, that is the difference in those two reports.

ASSEMBLYMAN GEDDES: You know, if Mr. Purcell could have told Mr. Robertson the other day just as shortly and concisely as you have, it would have saved the committee a great deal of time. Now, I would like to just come back. Is any part of this increased estimate—now, I think you practically answered my question previously—this two hundred

fourteen or two hundred fifteen million dollars—that includes, we will say, the recommendation of the league, doesn't it?

MR. GRAVES: Yes, very definitely.

ASSEMBLYMAN GEDDES: And you have had conference with the department on that or with the Collier committee?

MR. GRAVES: Yes, we did. Of course, the metropolitan freeway estimates were built up, not only by the information which the department itself had, but by the information filed by the areas.

ASSEMBLYMAN GEDDES: So, I'm going to go quite a ways with you, Mr. Graves, on saying that the people that are paying a tremendous part of these gas taxes certainly want to know something of where the money is going and what benefit they are going to get. They never get to drive out of town. They don't get to use the expressways up and down the State, and they are still paying gas tax, and as you have pointed out, they pay more because of the stop and start in the cities. It just so happens out in my district where the cities are very small that we have a great number of farmers that are using back country roads all the time for their hauling, and they are doing that hauling on trucks. They have written me not to benefit any—these are in their own scrawls, sometimes not grammatical and sometimes very grammatical—as to just what their proposition is, and they answer the second question on the post card which I think is a pretty good one and is businesslike. "Let's find out exactly what is needed to be done and then do the job in a businesslike manner." which comes back to the first questions that I asked you.

Now, going back to this city traffic proposition, can you imagine any proposed solutions which would better conditions on Los Angeles Street and San Pedro Street down about Ninth, from Ninth to Sixth there in the wholesale district in Los Angeles when those trucks are trying to get in and unload, and the people that are working in those buildings are trying to find a place to park? Would these through highways through the cities or the freeways bring folks in there to shop? Would those relieve those conditions any?

MR. GRAVES: Very substantially.

ASSEMBLYMAN GEDDES: How?

MR. GRAVES: Well, I think if Mr. Davis or someone who has had some part in the surveys that have been made in the metropolitan areas of Los Angeles were here or were testifying, they have made some studies that I don't know about which attempted to determine and did determine approximately what percentage of downtown traffic in that and other congested areas is in fact through traffic, that in fact doesn't want to go downtown at all, but it hasn't any other way to go.

Now, if you build this metropolitan freeway or expressway system, you are going to build an expressway bypassing the central district in that very area, I believe. The East Bypass, is that what he is talking about, and the Olympic? If those bypasses are built to expressway standards, every single car and truck that would otherwise be going through the central business district unnecessarily jamming things up —and it is a very high percentage, Mr. Geddes—will use the bypass and never be on that street at all.

ASSEMBLYMAN GEDDES: That is right, but how about these fellows who are trying to park all day? They are working there and these trucks are getting in and out. That is what congests the streets as much as

those going through. Only a chump going through town would try to go through down there. He would go out Manchester and work over to Western.

MR. GRAVES: I think I better defer to the experts.

ASSEMBLYMAN GEDDES: I'll bypass that now. I want to come back to the point of accidents. We have heard right from the start that the chief and primary purpose of this is to eliminate accidents and yet I have today's paper, *San Francisco News*, that says that over the week-end seven were killed and 40 hurt in storm traffic, 100 accidents laid mostly to the rain, auto skids off the roads. "Rain-slick highways and city streets combined with lowered visibility to cause more than 100 week-end auto accidents about evenly divided between San Francisco and the rest of the Bay area."

Now, there is nothing we can very much do about weather, is there, Mr. Graves?

MR. GRAVES: No, Mr. Geddes.

ASSEMBLYMAN GEDDES: Then the other day we had testimony, I think, by as near an expert as has come before this committee, showing a great percentage of the highway and city street accidents were caused by drunken driving, so we could subtract that?

MR. GRAVES: No.

ASSEMBLYMAN GEDDES: The drunken drivers can still do it.

MR. GRAVES: Well, let's say a man who has been drinking and is driving is far more dangerous on a congested street than he would be otherwise.

ASSEMBLYMAN GEDDES: Yes, and he could even stop suddenly or ram the car ahead of him.

MR. GRAVES: I'll not say you eliminate the menace, but you will greatly modify it.

ASSEMBLYMAN GEDDES: We are taking past figures to build up our argument. We will look at the past record and see a great many of them were caused by the personal factor.

MR. GRAVES: Of course, they were, but I would like to add something to the record. On the Arroyo Seco Parkway, a freeway in Los Angeles, where people do all the same things wrong that they do everywhere else. They drive too fast, and all the rest. The fatal accidents and injuries per hundred million vehicle miles is 49. On the California rural State Highway System, two lane, it is 128.6. On Wilshire Boulevard in Los Angeles, a conventional heavily trafficked city street with synchronized signals, it is 185. On Figueroa Street in Los Angeles, it is 333. Now, I would place before you and in the record this point, that the Arroyo Seco Parkway is the Figueroa Street problem solved, or solved by the freeway principle, and the difference in identical use is largely by design and it is the difference between 49 and 333.

ASSEMBLYMAN GEDDES: That is right, for such portion of the accidents as occur on that type of highway.

MR. GRAVES: The same kinds of accidents from the same causes occur on every kind of highway.

ASSEMBLYMAN GEDDES: That is right. That is all I have, Mr. Chairman.

CHAIRMAN HOLLIBAUGH: I'd like to ask Mr. Graves a question. A few days ago Mr. Petree testified here, representing the Los Angeles Chamber of Commerce and the Metropolitan Freeways System of Los Angeles. He asks that the funds be distributed 60-40 between the north and the south, but this is what I want to ask you. He also stated that he thought the fund after that split should be redivided, 50 percent for city freeways or metropolitan freeways, and 50 percent for county highways. Does your organization take a stand on that last division?

MR. GRAVES: We did not, Mr. Hollibaugh, and I want to make an observation about it. There is now in Senate Bill No. 5 the so-called Mayo amendments, which attempt to guarantee to every county in the State some continuity of construction from year to year, or within five-year periods, so that no area would need to be afraid that in a 10-year program they wouldn't have anything done until the tenth year. Now, the way they have done that is to provide that a certain percentage of their critical deficiencies must be constructed within the first five years and another within the second five-year period, and as I understand the amendment, a third period is added. So that 25 percent, and incidentally those figures are too high and cannot be employed, but the principle is there, 25 percent of their critical deficiencies in each county must be constructed within the first five years and another 25 percent the second five years and so forth. Now, that means—and I'm not quarreling with the purposes of the Mayo amendments necessarily, because it is reasonable in both the rural and metropolitan areas that they would like to have some assurance of continuity of work, but that means that the department must now, and if that bill were adopted and that principle were in it, run about 58 separate highway systems, not from the standpoint of design and maintenance and operation, but from the standpoint of construction, they have got 58 separate little budgets to work out.

Now, if in addition to the Mayo amendments principle, we write in a further marking as between the rural-urban expressway system and the other State Highway System, I think you have an administratively impossible bill. Now, that is in the record.

Now then, in addition from the standpoint of the expressway system the whole record of the department, its known intentions, its commitments financially, and I think it is unquestionable now—and I might say somewhat bitterly that at long last some of them realize they have to do these jobs where these tremendous traffic problems are, and they intend to do them, and they are going to do them. I don't think there is any reason to doubt that without such an express earmarking, the freeway system will be constructed.

CHAIRMAN HOLLIBAUGH: Thank you, Mr. Graves. Is there any other member of the committee wishes to ask questions? Mr. James.

ASSEMBLYMAN JAMES: Mr. Graves, being a representative of the California League of Cities, you are naturally interested from the cities' viewpoint.

MR. GRAVES: That is right.

ASSEMBLYMAN JAMES: And not from the urban dwellers' viewpoint or the country precincts' viewpoint?

MR. GRAVES: Well, except a great many of our membership is in the rural counties.

ASSEMBLYMAN JAMES: Does your membership include all the cities of California, or just certain selected cities?

MR. GRAVES: All but nine out of the 293.

ASSEMBLYMAN JAMES: I'm going to read you a quotation from a pamphlet I received today from the Boulevard Property Owners League. Do you know who they are?

MR. GRAVES: No, I don't.

ASSEMBLYMAN JAMES: Are you familiar with the pamphlet?

MR. GRAVES: No, I'm not.

ASSEMBLYMAN JAMES: I'll read you a few excerpts from this pamphlet and see if you agree with the authors of the pamphlets. (Reading.) "Under the present scheme freeways are being designed with but one plan in mind, and that plan is to locate and construct them as gathering arteries constructed almost solely for the purpose of gathering prospective shoppers for the sole benefit of the metropolitan downtown Los Angeles business district. With this in mind freeways will destroy partially or wholly small business enterprises and will wholly or partially eliminate them from the Los Angeles City and County tax rolls."

MR. GRAVES: With that statement I certainly do not agree.

ASSEMBLYMAN JAMES: You can't agree with that?

MR. GRAVES: No, I do not.

ASSEMBLYMAN JAMES: I happen to own some property on boulevard frontage down at Compton, and that's why I'm interested in the quotations from this particular pamphlet. (Reading.) "Freeways now planned would not only create a disastrous downtown traffic debacle, but they will wholly or partially destroy many millions of dollars worth of now thriving small business establishments in the outlying now thriving small communities: Freeways as now planned will eliminate from the tax rolls of Los Angeles, many millions of dollars of tax revenue, in addition they will spell chaos and financial ruin to scores of small communities and thousands upon thousands of property owners."

That is a very similar statement. I take it you do not agree with that?

MR. GRAVES: No, I think that the fact that it is not true can be demonstrated more factually than it may be in that pamphlet.

ASSEMBLYMAN JAMES: (Reading.) "A large portion of the gasoline tax revenue is contributed by the automobile owners living in and traveling to and from small outlying districts located some distance from the metropolitan center of Los Angeles. And it would be irony indeed for these people to find their fortunes whether large or small reduced or entirely eliminated by ill conceived freeways built in substantial proportion by their own gas tax revenue."

MR. GRAVES: No, that is not true either.

ASSEMBLYMAN JAMES: You do agree that most of the users of automobiles in the downtown metropolitan area of Los Angeles live in the outlying communities?

MR. GRAVES: Sure—most of them, you say? Well, no, I wouldn't say most of them, no.

ASSEMBLYMAN JAMES: Quite a large percentage of them?

MR. GRAVES: Well, again that would be something we can consider factually and find the answer to. I would be inclined to say that would not be true entirely either.

ASSEMBLYMAN JAMES: You will agree, however, that limited access freeways will destroy property that lies adjacent to those freeways. Now each of the boulevards, as you know from your own experience, supports quite a community of small stores and businesses, gas stations, and the like, and with the freeways being constructed, and with limited access to them, those businesses adjacent to the now thriving boulevards which will not be made into freeways, or which would be in the freeways, but with no access to the freeways, would be destroyed.

MR. GRAVES: No, I don't agree at all because I think the volume of traffic the boulevard is a positive detriment to the usage and occupancy of the business property abutting it. The congestion is so great and the danger is so great in its use. Now, it is not to be assumed that freeways are going to cut off access to those business properties from the area that normally uses them. I should think that the cost would be so high as to be utterly prohibitive. What is more likely to occur is that a more suitable means of access would be provided. I think in my own experience, and I'm not intimately acquainted with the area you have in mind, but I know personally and positively many cases where a design of a freeway with proper service roads and streets to the business property would enhance their value, rather than to destroy them.

ASSEMBLYMAN JAMES: Don't you think that the traffic problem would be greatly solved if we built a system of divided four-lane highways between the principal cities of California connecting also with the interstate routes, than if we merely built the necessary freeways through the large cities that were necessary to take traffic in and out of the city or around the city and not be an integral part of the city streets? In other words, for Los Angeles, say we build the Hollywood Freeway connecting with Cahuenga and going down through central Los Angeles out to Santa Ana, and perhaps another freeway around the Sepulveda route. Don't you think that that would comprise the limit of the freeways in the Los Angeles area in which the State as a whole is vitally interested?

MR GRAVES: Well, no, if I understand what you are saying about the freeway system for the area, I would say no that I don't agree. You mean to eliminate all except the extensions of the main State Highway System.

ASSEMBLYMAN JAMES: That is what I mean, is to provide access to Los Angeles and from Los Angeles by way of freeways, and also a freeway for those who want to go around Los Angeles and travel north or south avoiding Los Angeles.

MR. GRAVES: I can only answer you this way. I'm not expert on metropolitan traffic problems, but I can say that every responsible organization in Los Angeles County is in disagreement with you on that statement.

ASSEMBLYMAN JAMES: They are very partial * * *

MR. GRAVES: I didn't say in the city, I think in the area they would be in disagreement. I think, too, that it would be difficult to say that the expressway and the highway requirements of the area should be determined on the basis of the benefit or disadvantage to sections of business property in the outlying or any other area, because as far as I'm concerned, we are talking here about a traffic program and there will be many incidental benefits to property in many ways, but I don't think the short

term gains of a business settlement ought to determine the design and standard and routing of traffic.

ASSEMBLYMAN JAMES: Well, you don't agree with me in my statement then that freeways within the city and to serve the city needs are city problems and not state problems?

MR. GRAVES: Oh, no. I certainly don't agree with that. I mean, that ignores the whole facts of the situation which turn on the question of whether property taxpayers should have to pay the total cost of constructing streets which carry the largest part of the traffic and are not supported by user taxes. Now, they ought to be supported in larger part by gas taxes and not by property taxes, and as a property owner, I should think you would be among those who would recognize the unfairness of causing property owners to pay property taxes for the maintenance and construction of streets which are used primarily as through city streets without having the people who use them contribute to their maintenance and construction.

ASSEMBLYMAN JAMES: Thank you.

CHAIRMAN HOLLIBAUGH: Gentlemen, I think we better take a 10-minute recess.

(Thereupon a recess was taken from 3.30 to 3.40 p.m.)

CHAIRMAN HOLLIBAUGH: The meeting will come to order. Mr. Kirkwood, you were next on the list.

ASSEMBLYMAN KIRKWOOD: Mr. Graves, I wanted to get a little clearing up on this statement you made about the 1 cent or the equivalent of 1 cent of gas taxes raised from other sources. Now that was new money, was it not?

MR. GRAVES: Yes.

ASSEMBLYMAN KIRKWOOD: These figures I have are just from memory, and they may be off. I was trying to add up the different new moneys raised under Five. The 4½ cents under diesel would bring in $4,000,000 of new money. The $3 registration increase would bring in something over $10,000,000. The $1.50 license, drivers license, would bring in somewhere in the neighborhood of $6,000,000, and as I understand it, the ton-mile tax, or the truck taxes would bring in $9,000,000 of new revenue. Those items would total $29,000,000, and I think that discounts the removal of the 3 percent gross receipts tax on trucks.

MR. GRAVES: Yes.

ASSEMBLYMAN KIRKWOOD: So that actually, if all of those taxes in Senate Bill No. 5 were left in, we would be way over the amount you are talking about?

MR. GRAVES: Not way over, no, sir. One cent of gas tax produces $25,000,000, and averaged out over the period it would be $27,000,000. It would not be as much.

ASSEMBLYMAN KIRKWOOD: Without the 3 percent gross receipts—I thought I was talking about $29,000,000.

MR. GRAVES: The 3 percent gross has already been taken out of there, and as Senate No. 5, Senate Bill No. 5, assumes it is repealed * * *

ASSEMBLYMAN KIRKWOOD: And the 29,000,000?

MR. GRAVES: The 29,000,000 is a net figure after the 3 percent gross receipts are taken out.

ASSEMBLYMAN KIRKWOOD: Now, one other thing along the line Mr. Geddes was talking about, the internal situation inside the cities. Actually

if the State took over the construction of some of these freeways, of additional freeways to those now in the state system, and as I understand, under this proposal cities themselves get an additional three-eighths of a cent allocation.

MR. GRAVES: That is right.

ASSEMBLYMAN KIRKWOOD: It would make the situation inside the cities much easier so you would have more funds that could be switched to parking situations and that sort.

MR. GRAVES: No. I don't honestly believe that funds ought to be switched. I think we ought to spend what we now spend plus the new moneys, but if we had the express systems, it would take so much of a certain type of traffic off our city streets that we would build them up to a more adequate standard for much less than would now be necessary because they are handling so much traffic that ought to be on the expressway.

ASSEMBLYMAN KIRKWOOD: You would also have the additional three-eighths of a cent?

MR. GRAVES: Yes, which is exclusively for major streets. That would make a great difference, $9,250,000 a year, which would be available to the cities in addition for construction or on major street systems.

ASSEMBLYMAN KIRKWOOD: Now, under your recommendations, the equivalent of the 3 cent increase in gasoline taxes—how much would that make available when added to the old money for new highway, state highway construction?

MR. GRAVES: Well, the nearest that I could say is that that would be so close to the present provisions of Senate Bill No. 5 that the figures which you read would be substantially what our position would be. The difference would not be too important.

ASSEMBLYMAN KIRKWOOD: You feel it would be $75,000,000?

MR. GRAVES: That is gas tax. Well, the increase, yes it would be around $75,000,000 at the beginning, but averaged out on the 10-year period, it would produce something more than that, something like $86,000,000.

ASSEMBLYMAN KIRKWOOD: But, for the original construction, the first year, it would be roughly $75,000,000.

MR. GRAVES: The figure used by Mr. Zettel in his analysis of Senate Bill No. 5 puts his new revenue estimate for 1947-48, which is July, 1947 and thereafter, at $86,633,000, of which $49,600,000 is gas tax.

ASSEMBLYMAN KIRKWOOD: And that is what you are talking about?

MR. GRAVES: That is what we are talking about.

ASSEMBLYMAN KIRKWOOD: Thank you.

CHAIRMAN HOLLIBAUGH: Mr. Anderson.

ASSEMBLYMAN ANDERSON: Mr. Graves, in most of the communications that I have received other than these cards, these post cards—I mean in the regular letters of people from my district on this program, the people usually say that they are in favor of a long range planning program and things like that, but that there is some question in their minds as to the timing of the construction. They feel that probably there are other things that are more urgent, housing and public institutions and things like that, that should be taken care of first, but that at the same time we should adopt a policy setting out the rights of ways and the things like that. Now, is it possible, or what would your organization

say toward dividing this particular program or this highway program into two parts, first having adopted the broad over-all policy setting down say whatever length of time you may want and determining where the money is to be spent and the roads so these areas can secure the rights of ways and easements and make their planning, but that the actual construction be delayed for say two or four or until 1950 we will say, so that the more critical things such as housing could be taken care of. What would your policy be on that?

MR. GRAVES: I think we would be against that, Mr. Anderson, for several reasons. First, we feel that there is a public obligation for the provision of highways. I think I could read it to you in substantially the form in which we believe in it by reference to a statement by Commissioner McDonald of the Public Roads Administration, if I can find it here quickly. He says in his statement made on December 17, 1946, in Los Angeles, that the government has undertaken to supply certain services which cannot be provided by private undertaking with private capital. Among such government supplied services are sewerage, water, roads and streets, public schools, police and fire protection. These are all an inseparable part of our individual and community life. They are to a large extent interdependent or complimentary. Our utter dependence upon the roads and streets in the routine of our daily living has been doubly fixed by the advent of motor vehicles, both passenger and goods carriers. Thus highway improvements cannot be evaluated as public works. Their service must be measured in terms of saving lives, preserving, maintaining essential service, and sustaining major industry. The too prevalent concept of holding back highway improvement to bolster employment if and when unemployment appears is a completely fallacious theory. The only sound approach is to accept the principle that to avoid irreplaceable losses, the highway plans must be continuously renewed and replaced. That is my answer in part. We think it is just as necessary to maintain an adequate street and highway system as it is to maintain an adequate police and fire department, and that you would no more successfully argue that we can afford to postpone a sound development of the highway system than you would say that you can postpone an adequate fire department until some later time, although you might burn down in the meantime. That is one thing where we differ in emphasis, in the degree of the obligation which lies upon the Legislature.

Secondly, and may I now refer, I hope Mr. Geddes won't mind. He didn't ask me about it, but refer to his bill which makes an appropriation from the General Fund. Now, in the first place, that raises a lot of new questions of policy. For example, should sales taxes be used to build highways? That is something we haven't done for many years. A long time ago in this State we not only adopted the policy of user taxes supporting the highways, but we went further and when the shoe was on the other foot we passed a constitutional amendment which said you could not divert gas tax money for any other purpose or highway revenues for any other purpose so we couldn't use them for relief.

Now, we come along when the condition is reversed and propose taking the General Funds and using them for the peculiar benefit of the highway user. That changes a long established policy in State Government. But, put yourself in the position of a responsible official in the

State Highway Department. You are asked to spend seventy or eighty or a hundred million dollars of General Fund money for the development of the highway system, when your only basic and continuing income is $28,000,000 a year. That is all you can count on, and now you have a windfall of $100,000,000. What are you going to do with it. In the ordinary course of highway budgeting, you set up certain projects for construction in the long range sense within the limits of your known available income. It takes a long time to acquire rights of way, and you start gradually to acquire rights of way for a project which you don't intend to build for five or six years, but which you know you will have the money to build when the time comes.

Now, you got $100,000,000 and you may never get any more, and you would be very foolish indeed, wouldn't you, if you made a commitment out of that money for a project which could not be constructed unless the Legislature provided a continuing appropriation of some such amount. What you would do actually, Mr. Anderson, is to spread that money thinly to bring jobs to completion with the available money, not committing yourself to any future program at all beyond your basic and continuing source of income.

Now, from the standpoint of the cities, that would be most unsatisfactory because as I have already pointed out, we have a great interest in some of the most expensive projects. The projects within cities cost a great deal of money. We think they are justified by their use, and we think we can demonstrate that, as I have indicated to you. But, if you do this thing of providing a short term appropriation, the kind of projects in which we are the most interested would be the least likely to receive substantial or adequate consideration. They are going to take a long time to develop. They will be buying rights of way for several years. Some of them they may not enter the construction stage for four, five, six, seven years and we would come out on the short end of that kind of deal. The department couldn't program it.

Now, if you are going to adopt a highway policy now in order to make it effective, you must provide the money now, whether it is to be spent now or not, and that seems to me to be a question which the Legislature has every right to consider. It would be perfectly legitimate for you, and I'm not urging a course, I'm not committing my organization to a position, but it would be legitimate for you to say that you will adopt a policy and provide the financing and that by some device you will control the rate or kind of construction until you get a chance to take another look at it. At least then the department would be able to say, "Here is not only a statement or principle and policy and commitment to types of construction, but here is the money with which to do it. From year to year we can see our way clear. We know where we are going and we can now move in and buy rights of way."

Let me give you an illustration. Mr. Arnold gave these to me. In Los Angeles a manufacturing plant proposed to build a new plant right smack in the right of way of a major future development, highway development. Because they had the money, and because they knew they were going to build the project, the minute that man bought and they knew what was going to happen, they went to see him. They told him the problem and they bought him out and he found a new location. If they had not had the money to acquire that right of way, when the time

came to build it, they would either have had to buy out a very expensive manufacturing plant to be added to the cost of rights of way acquisition, or they would have had to adopt a routing, determined not by where they wanted to go, but by where they could afford to go. The same thing is true as to all types of development which pop up along these routings.

Men, the thing is that in this type of a program you have got to know what you are going to have, what your income is, from the beginning. We are talking about spending maybe $90,000,000 to $100,000,000 a year for 10 years. They can schedule that out and make an orderly development program out of it if they know their income.

If you are concerned, and on the basis of questions I have heard you ask previously, it goes to this question competition before construction. I can only say to you that it seems to me that that is a proper subject for the Legislature to consider based on the facts.

ASSEMBLYMAN ANDERSON: Has your organization discussed this question of adopting the policy and the program and the financing, but delaying the construction for four or five years?

MR. GRAVES: We have not discussed it. However, if the Legislature begins seriously to contemplate it, we certainly would discuss it, but I can say this to you, that I'm confident on the basis of the discussions we have had that the idea of adopting the principles of a highway program without the financing would not be satisfactory since it would mean the principles would be meaningless.

ASSEMBLYMAN ANDERSON: Now, what do you think actually has the highest priority as far as needs at the present time—I mean in your cities, is it highways, or is it housing, public housing? If you had to divert materials, or pass legislation that would divert materials one way or the other, which do you think is the most critical today?

MR. GRAVES: Well, I don't think there is a flat answer to that, Mr. Anderson. I think there is, of course, a very high, the highest priority on housing. Let me remind you that if you have a major housing development, you must have the streets and highways to make it even accessible. No one has begun to think about that, and that the cities are not going to be able to provide some of the streets and highways which they will require.

Secondly, I'm convinced still that there is very little competition between highway construction and housing. Now, you have raised, and I want to raise it for a moment and put aside the question of utility and direct my remarks to this other thing. As a matter of fact, I've never seen anything to indicate that asphalt or concrete is in shortage or that it will be during the period we are talking about or any important part of it. The structural steel required is relatively unimportant, and I doubt very much if it could be established that there would be any competition worthy of the name between the highway requirement for structural steel and the housing industry. For labor, there is absolutely no competition, and none can be established.

Now, there just isn't—they are two different kinds of animals, and on the main point of highway construction versus housing, there isn't any substantial, there isn't any important, there isn't any real competition So that I would say to you that not only does housing require streets and highways, but there is not any necessary competition between them and that on that point there is no justification for delay, and some of the

people who do not understand the complexities of this situation may feel that the Legislature is diverting money which might otherwise be made available to housing in order to build highways. You understand perfectly well that that is not the case. There isn't any situation here where the two are related.

ASSEMBLYMAN ANDERSON: In the last couple of weeks one of our committees has gone around to the various institutions and we found that they are way behind in their development, that there should have been quite a bit of construction and we made appropriations in the last session amounting to $154,000,000, and we asked them why this amount hasn't been spent, and they tell us they can't get the necessary materials, and they list in there steel and concrete along with these other things such as plumbing and electrical work and things like that. Then in our Interim Committee on Education, we went around to a lot of schools and those that are able to pay for building, they give us the same answer that they can't get these critical materials.

Now, this last week, the representative from the California Manufacturers Association told me after the meeting, and he told me also at the hearing here that he represented several concerns that make copper cables and all these different things. I believe if I remember correctly, he named the Anaconda copper people. He said if a thing like this were developed naturally the companies at the present time are being drawn upon for more than they can supply, that they would probably divert a lot of their materials toward the materials that are to be used in moving these different public utilities and things like that. It would result in making the present shortage on these materials even more acute than they are at present, and so the thought that I have was that if we do have to make a decision between, let's say, schools and public institutions and local housing and highways, and from the testimony we have received from these representatives such as the California manufacturers, they surely should be interested on the pro side as well as the con, because they are going to be selling the materials for the development of this highway program—if we are going to have that shortage, then where would you place highways on the priority? Would you place them before schools? Would you place them before our public institutions, or would you place them before housing? Now, I personally put it fourth on that list. I have it a high priority, but I think our housing is first, our schools second and our institutions third, with probably highways coming in pretty close there. Would you change that order of priority?

MR. GRAVES: Well, to be consistent, Mr. Anderson, I have to give the same answer I gave you in the first instance. Institutions compete directly with housing. They use the same kinds of materials. They use the same kinds of skills, the same building trades, the same types of contractors are involved as in the case of housing. The same situation applies. For the same reason that highways do not compete with private housing, they do not compete with the state institutions for materials or manpower and they do not compete with schools, and therefore, I say that with regard to highways no such priority choice has become necessary.

ASSEMBLYMAN ANDERSON: Well, let's for the minute assume that there is some competition between the highways and housing and schools. Then, what would you give first priority?

MR. GRAVES: I would be very reluctant to stick my neck out when the facts don't require it.

ASSEMBLYMAN ANDERSON: Well, don't you admit that there is some possibility in the remarks made by the representative of the manufacturers association, when he says that if you have to move these public utilities, these water lines, gas lines, and everything else and have to put in transformers and all these different things to make them comply with the rights of way that will be necessary it is obvious these companies manufacturing the stuff are going to make that in preference to probably the smaller things that are now being used in housing. If they are already being drawn upon for the amount they can put out, it seems to me it would show a competition between building a freeway even though it did only use concrete and steel and asphalt in the actual construction. Moving utilities would compete with the building of houses and school housing and everything else. Now, I can see a reason for competition there, can't you?

MR. GRAVES: Well, I don't know. First of all, I don't know what the man from the California Manufacturers Association testified. I don't know what the purpose of his testimony was. I don't know what it was designed to establish. I don't know whether he was for the highway program or against it, but it might have had some bearing on the emphasis he would place on this competitive aspect.

ASSEMBLYMAN ANDERSON: If he represented companies like Anaconda copper, you would assume he would want a program to go through that would use the copper.

MR. GRAVES: A man's interest in a program is a relative thing and it is conditioned by many factors. I don't know. I would rather not accept or reject his testimony. The fact is and my answer to you on the basis of moving utilities installations is again what I indicated awhile ago. If the Legislature has a policy that it desires to establish with regard to competition between highway construction and the housing industry that policy is a matter of legislative determination which would guide and influence, and I think control what the highway department did with regard to such competition. It doesn't follow, however, that in order to avoid competition with housing or institutions the total highway program must be delayed in order that some small segments of it which do so compete can be taken care of. Certainly the legislative declaration would control the department in modifying or utterly eliminating that competition for the time being and still leave them free to do many, many vitally needed highway construction projects where there is not the slightest bit of competition. I would urge you to address yourselves to getting the facts with regard to that competition and considering and proposing whatever you feel is necessary to minimize it rather than to propose postponing the total state highway program for a problem which arises only in a small part largely on metropolitan freeways, most of which could not possibly be constructed during the period in which these shortages will be the most critical.

We are not going to start July 1st and build all the freeways. By the way, Hollywood freeway is still postponed because of housing and you do not find your state department or anybody else going in there and ruthlessly throwing the people out to make room for the highway. No one wants to do that and no one is doing that. I think the remedy

lies within the power of the Legislature, but it certainly doesn't go so far as postponing the whole program.

ASSEMBLYMAN ANDERSON. If the Legislature adopted the method of financing and the program but delayed the construction for four years, what do you think would be the policy of the league. Would they approve or look with disfavor on the program?

MR GRAVES: Postpone the whole program?

ASSEMBLYMAN ANDERSON: Postpone the construction, but adopt the policy.

MR. GRAVES: I think we should be urging you rather if that were the Legislature's position to loosen it up so the things which didn't compete would be started.

ASSEMBLYMAN ANDERSON: Thank you.

CHAIRMAN HOLLIBAUGH: Mr. Robertson.

ASSEMBLYMAN ROBERTSON: Mr. Graves, I want to apologize for having been detained and not getting here on time. If I ask any questions that have been asked before, I want to apologize in advance. I want to turn your attention, Mr. Graves, to two reports submitted by the Highway Department. One is October 29, 1945, known as their emergency program, something like that, and one is January 1947, and I wanted to ask you whether the league in considering the cost of these highways, which of these reports they considered?

MR. GRAVES: Both.

ASSEMBLYMAN ROBERTSON: Now, I would like to ask if the league accepted seriously as a correct report the report of October 29, 1945.

MR. GRAVES: For the time and circumstances under which it was prepared and for the purposes which it was designed, yes

ASSEMBLYMAN ROBERTSON: Then what did they consider as to the report of January, 1947. Did they consider that a good complete and ample report, or did they consider it a bit more than ample?

MR. GRAVES: They considered it to be what the Department of Public Works would have been expected to provide when someone asked them to state what they considered to be the highway requirements of this State projected to 1956 We don't know every project, but the ones with which we are familiar we think that it is a good report. We do not say, and neither does the department, that every project on it is critical.

ASSEMBLYMAN ROBERTSON: I'm not interested in that. What I'm interested in is the comparative costs. Now, in this matter did you consider as to October 29, 1945—where did you consider real estate values, at their peak or below the peak, or where did you consider them?

MR. GRAVES: The nearest thing we could get was an indication of what the cities themselves were being required to pay for acquisition of rights of way.

ASSEMBLYMAN ROBERTSON: So, in your opinion as of October 29, 1945, and I think any real estate man will tell you this, the cost of rights of way was at an all time high, and it slipped a little since then, hasn't it?

MR GRAVES: No.

ASSEMBLYMAN ROBERTSON: Oh yes, your sites for land and your buildings have been slipping ever since about the first of 1946, isn't that correct?

MR. GRAVES: Wait a minute.

ASSEMBLYMAN ROBERTSON: Not greatly, but slipping a little.

MR GRAVES: But, because you are making a comparison between two reports * * *

ASSEMBLYMAN ROBERTSON: No, we are just considering the real estate market now of October 29, 1945.

MR. GRAVES: You have no report before you which has anything in it about the real estate market as of 1945.

ASSEMBLYMAN ROBERTSON: I'm just asking. As a matter of fact, isn't it a fact agreed to by every real estate man I have talked to in the State that October, 1945, and the succeeding months on both sides constituted the peak of all real estate values in the history of the State of California, isn't that correct?

MR. GRAVES: No.

ASSEMBLYMAN ROBERTSON: Where is it wrong? When was the peak?

MR GRAVES: We are paying more now than we were in 1945.

ASSEMBLYMAN ROBERTSON: Well, but as a matter of fact, real estate values have slipped since the first of 1946, have they not?

MR. GRAVES: Not that I know of. They may have in Santa Barbara, but not where I live They are at an all time high again.

ASSEMBLYMAN ROBERTSON: Now, would you tell me what, in your opinion, is the amount that costs have increased in freeways or of acquiring land from October 29, 1945, to January, 1947. That is the percentage increase all over the State and all your cities and all your little villages—what is the percentage cost of increase, Mr. Graves?

MR GRAVES: You are trying to get me to go along with you on an erroneous conclusion drawn from a faulty premise.

ASSEMBLYMAN ROBERTSON: No, I'm just asking you a simple question.

MR. GRAVES: No, it isn't simple. I'm going to insist that the figures that you are using * * *

ASSEMBLYMAN ROBERTSON: I'm not using any figures. I'm just comparing the figures of these two dates.

MR. GRAVES: The figures I'm using in my testimony are based upon the report of the department in the first instance dated 1945, prepared in 1944, based upon 1941 cost.

ASSEMBLYMAN ROBERTSON: Now, just a moment, Mr. Graves. Let's go into that point. The Collier committee made a request for this report, if you will remember—I know you have been following this carefully the way I have, in August of 1945, and in that request, the Collier committee asked that all these figures be brought down to date as of submission. In September of 1945 to refresh your memory, Mr. Grumm of the Highway Committee appeared before the Collier committee and told them they had these figures, but they were bringing them up to date and if the committee would please give them another month, they would have them all brought up to date and in fine shape. Then on October 29, 1945, Mr. Grumm appeared before that committee and said these figures had been brought up to date, that it was just what the committee had requested and here it was.

MR GRAVES: That wasn't 1945.

ASSEMBLYMAN ROBERTSON: That was in October, 1945, when he made that statement and the report was filed on October 29, 1945.

MR. GRAVES: That was called the first deficiency report.

ASSEMBLYMAN ROBERTSON: That is right. Then when he comes here, Mr. Grumm and Mr. Vickrey say, oh, no, that ain't true, but the record shows it is true. They say now this was way back in 1941, but when the committee insisted they be brought down to date, and they and their—the downtown businessmen's association and the State Chamber of Commerce and the League of Municipalities and every other organization I know of took them as the basis of their work, do you not agree that those figures were presented as of October 29th down to date?

MR. GRAVES: No, I don't think so. No, on the basis of costs as we know them that would not be true.

ASSEMBLYMAN ROBERTSON: But, you do think that the figures of January, 1947, are undoubtedly correct?

MR. GRAVES: Well no, I wouldn't say that. I think they are substantially representative of what they are intended to be, which is a projection over a period of 10 years.

ASSEMBLYMAN ROBERTSON: Now, would you state to us, Mr. Graves, approximately the difference in the cost of construction between October 29, 1945, and January, 1947, in percentage.

MR. GRAVES: I don't have that figure, but I can give it to you for 1941 as compared * * *

ASSEMBLYMAN ROBERTSON: No, 1945.

MR. GRAVES: I don't have that figure, Mr. Robertson.

ASSEMBLYMAN ROBERTSON: Now, Mr. Purcell testified that the difference not only between 1945 and 1947, but between 1941 and 1947 ran from 50 to 60 percent. Would you say that Mr. Purcell was about right in that estimate?

MR. GRAVES: Mr. Purcell's testimony which I heard, Mr. Robertson, was that the cost of construction between the two reports had gone up 50 percent for construction and 55 percent for bridge work.

ASSEMBLYMAN ROBERTSON: Of course, that is entirely untrue according to these two reports, isn't it, Mr. Graves?

MR. GRAVES: The two reports do not attempt to establish that fact, Mr. Robertson. On the contrary * * *

ASSEMBLYMAN ROBERTSON: In those two reports, Mr. Graves, there are—I just picked at random 10 or 20 pieces of highway.

MR. GRAVES: Shall we go into Route 11-B between Sacramento and Mills?

ASSEMBLYMAN ROBERTSON: Let's go to Route 4-B, 13.6 miles, the McConnell subway to Sacramento, four-lane divided, construction costs, right of way and title. Now, may I call your attention, Mr. Graves, and I'm sure you will agree with me that in both instances, in both of these reports, it is defined exactly the same way, Route 4-B, 13.6 miles, McConnell subway to Sacramento, four-lane divided. Now, will you explain then why the cost of the right of way in this particular instance went from $63,000 in October, 1945, to $470,000, which is practically eight times as much, not quite eight times as much, in 1947.

MR. GRAVES: Shall I do it now?

ASSEMBLYMAN ROBERTSON: Sure, go right ahead. If you do, I want to tell you, if you are able to do that, Mr. Graves, I want to tell you that you know more than Mr. Purcell, Mr. Vickrey, or Mr. Grumm, none of whom could explain it to me.

MR. GRAVES: In my early testimony I stated to the committee, because I was present when you asked what I thought was a fair question and that you did not get an adequate reply, I took the trouble to get it and I have it here, and I read it once before, but I would be happy to read it again.

ASSEMBLYMAN ROBERTSON: Well, I don't wish to burden the committee if they have heard it.

MR. GRAVES: I'll be happy to give it to you, but I do want to make a comment about it in this way, and that is the point that I have been trying to establish in our remarks up to now. The first report was to meet the traffic requirements as they existed at the time, and I might as well read it because it would be the shortest way to do it The second one is designed to meet the traffic expected on that road in 1956 Any engineer present or otherwise will tell you that ample explanation for the difference in cost is found in these more elaborate descriptions. The estimate of cost shown in the first report was based on the construction of two new lanes, principally in the existing right of way, using a four-foot dividing strip, and did not include resurfacing the existing lanes, and did not contemplate any controlled access. Some minor additions to the right of way work were proposed at intersections and other strategic points. The estimate of cost shown in the second report projected to 1956 was based on a controlled access four-lane divided expressway. It contemplates a 30-foot division strip, two new lanes, resurfacing the old lanes and a right of way width of not less than 160 feet. New developments adjacent to the right of way have materially increased the right of way costs since the first report was made Now, when you start to buy access rights and expand your right of way to that extent, you have an adequate explanation for the difference of cost.

ASSEMBLYMAN ROBERTSON: Well, then the difference in construction from eight hundred to two million two hundred ninety, I suppose * * *

MR. GRAVES: As a matter of fact a large part of that * * *

ASSEMBLYMAN ROBERTSON. Is explained on the same basis?

MR GRAVES: Exactly the same basis and is perfectly sound from an engineering standpoint

ASSEMBLYMAN ROBERTSON You are in favor of the more expensive method of doing this?

MR. GRAVES: On that point I want to make a statement. The State of California has wasted millions upon millions of dollars, hundreds of millions of dollars over the last 25 or 30 years because we have never had enough money in the State Highway Construction Fund to do a job right at first so we end up spreading our money so thin that nothing is ever done right, and then we must in the almost immediate future begin to plan how to do it over again. I think it would be a good thing if for once in this State we had enough money to design a highway properly to meet the future traffic requirements within a reasonable period of time instead of taking two lanes and spreading them to three and creating death traps. If we'd had enough money in the first instance to build a four-lane divided highway, the original investment would still be good.

ASSEMBLYMAN ROBERTSON: Then, Mr. Graves, you are thoroughly in accord with the Highway Department when they put in sixteen or eighteen million dollars around the little town of Goleta, and made it

impossible of access except by going to Santa Barbara for a leader or the other end, of doing all this and getting all of the freeway, and then they put in a two-lane speedway with their curved corners and no divided highway, no four-lane highway, and it is just being completed now.

MR. GRAVES. If there are mistakes, the department can defend its own mistakes. I'm here to support sound principles of highway construction. That, I'm trying to do. I cannot and would not attempt to justify an engineering decision, but I have a hunch that if all the facts were presented by the appropriate engineers from the department, there would be a more logical explanation than that.

ASSEMBLYMAN ROBERTSON: The explanation is that the government gave them some money and therefore they only built two lanes because the government gave them money.

MR. GRAVES: I do not know the answer.

ASSEMBLYMAN ROBERTSON: But, they have spent all these millions and you think that is good business. I'm also interested in their intention now as to the lower end of the State which is in my home town. They are planning to put an elevator clear across the bottom of the town. I wonder if that meets with your approval. In other words, put an elevated highway clear across the bottom end of our town.

MR. GRAVES: If you mean, did my board of directors sit down and consider with all the facts before them every single highway project in that list, you know as well as I do that the answer is no.

ASSEMBLYMAN ROBERTSON: That is right.

MR. GRAVES: If you mean whether we believe that the State Highway Department should build highways now and as rapidly as possible up to the future traffic requirements of the State, the answer is yes, and if they don't do it properly, Mr. Robertson, I think the Legislature should apply the necessary remedy, but it should not be at the expense of the people by not giving them an adequate highway system. If this department cannot build adequate highways, we should change the department, not the program.

ASSEMBLYMAN ROBERTSON: Have you any suggestions as to how that can be done? I have been giving it quite a little thought, and I haven't come to any conclusion. I would like to know.

MR. GRAVES: I could tell you that if it were in a city, but with the State, it is beyond me.

ASSEMBLYMAN ROBERTSON: There is only one other question that has worried me considerably. I think you and I agree the costs of acquiring the rights of way and the cost of building roads is now at an all time peak in the history of California. I have been inquiring assiduously from the different departments to determine how much money has been spent that was saved during the war for this purpose, but as far as I can find out, they have either committed to date—now they make different statements. Mr. Purcell said that $80,000,000 worth of contracts had been let. The head of the Highway Department said that something over $100,000,000 had been let. They both seemed to agree that every other cent that they have got is going to be spent by July 1st. They both agreed on that. As to the amount, I couldn't get a clear answer, but as near as I have been able to find out from the Highway Department, they will have committed to the construction of highways the sum of

$171,000,000 at the highest peak at which real estate values and cost of construction have ever reached in the history of the State of California. Now, do you believe that after this Legislature has for the last six years determined that the money that is appropriated from surplus was for the purpose of meeting the possibility of WPA or Works Progress Administration, or some other method in the future, that it is wise to cause the inflationary spiral to rise at this time by throwing $171,000,000 into this inflationary period.

ASSEMBLYMAN STEWART: Mr. Chairman, I don't think that this questioning Mr. Robertson is engaging in is pertinent. I don't accept Mr. Graves as an expert on all the answers he is giving. He might be an executive director of the California League of Cities, and I'm enjoying this repartee between the gentlemen, but I submit his line of questioning is entirely out of order. There are other men we would like to hear. We have heard a lot from Mr. Graves. We would like to try to develop something about the revenue situation. I deny his competency to answer a lot of questions as propounded to him by Mr. Robertson.

ASSEMBLYMAN ROBERTSON: Now, Mr. Stewart, I submit that the cost of these things is quite pertinent in this case.

ASSEMBLYMAN STEWART: Mr. Graves is not here to testify to the cost. He isn't competent.

ASSEMBLYMAN ROBERTSON: He testifies his bunch is in favor of this, and I'm ascertaining what they are.

ASSEMBLYMAN STEWART: He has said they are. Let's get some facts about this. You have had quite a little demonstration. I submit, Mr. Chairman, it is out of order.

CHAIRMAN HOLLIBAUGH: Mr. Stewart, ever since these meetings first started, I have had a great deal of patience with everyone, and I haven't wanted to cut anybody off because this is very important and all of us want all the information we can get. I would like to admonish Mr. Robertson and whoever questions later to make questions as brief as we can because we have another gentleman waiting to be heard, and it is pretty hard to keep it right down to fine facts all the time. Can you get along with your questions?

ASSEMBLYMAN ROBERTSON: I'll get along as fast as I can. I'll agree with you, but Mr. Graves has furnished me information that the Highway Department couldn't furnish me. Do you believe in spending all this money and bringing the inflationary spiral up at this time, and so that you can answer it all at once, I'll add another question to it that if you know, when taxes go up and if the truck taxes are increased and everything, what happens? Of course, the price of milk goes up, the price of vegetables and all commodities goes up because the trucker is going to get a higher price. Do you believe in increasing this spiral, inflationary spiral?

MR. GRAVES: The first question that I can try to answer is that we do not agree that highway construction is related to unemployment relief, and again, Mr. Robertson, I read a statement from Mr. McDonald of the Public Roads Administration, made at a meeting in Los Angeles, which expresses our point of view that highways are one of the essential public services that must be provided in good years and bad. That is, you would no more seriously propose to let the highways

go and let the congestion go and let the accidents go than you would seriously propose that because it costs more money now to provide fire protection, the City of Santa Barbara, and the police protection and those services, and it certainly does, that we should temporarily suspend those functions of government because they cost more.

Secondly, I have never yet seen anyone propose seriously that we should hold taxes down in good times in order to raise them in bad times, although I remember on one occasion in 1945 where your position was somewhat different than it is today on that point. The thing it seems to me is that now is the time to declare a highway policy. Now is the time to determine our financing, and as I indicated in an earlier remark, it is for the Legislature to determine when and under what circumstances and what kinds of construction are to be undertaken in broad categories as they affect public policies. With regard to the inflationary effects of highway construction, there are many causes for inflation, but I do not think you will find such construction in any of them.

CHAIRMAN HOLLIBAUGH: I think Mr. Geddes wants to ask you a question.

ASSEMBLYMAN GEDDES: This won't take very long. I was going to leave you alone, but you threw one over your left shoulder. Now, I want to just come back and lay this little ground work. I took the position and I still take it, that if deaths on the highways and these critical needs are so important, and we can't get all the facts to support this contention that was made on numerous occasions, first that we have got $40,000,000 worth of highways lined up, critical deficiencies, that if the department had the money, $100,000,000, they could go ahead and do a lot more, practically immediately. Now, that ties right in with what you said in your opening statement that the need is immediate Therefore, taking that at face value, figuring that we could substantiate those and we would have the satisfaction of knowing where and how the money was going to be spent, we might dip into this fund from the General Fund and make an appropriation to the highways so that this immediate, saying that two years means immediate, the immediate needs would be taken care of, then in that time the engineering department could go ahead and we could get specific recommendations, proposals to be brought before the Legislature—of course, they don't like to do that, but that is another question, and the people would be getting highways. We would be stopping deaths on the highways and on our city streets. Now, there may be some difference of opinion, and I'll admit that maybe we should say how much of that money should go to the cities and how much should go for state highways, but we at least would be taking positive affirmative action which would be agreed upon if we went ahead and made $70,000,000 plus the $23,000,000 that is going to come in, plus some that I think will be left over if we are not exactly broke on July 1st.

Now, that contemplates the ground work. Do you think that that is as you said to Mr. Anderson a very foolish idea?

MR. GRAVES: I didn't say foolish, Mr. Geddes. If I did, I didn't mean to imply that. I meant it was an idea with which we did not agree. What is needed here is a commitment to a long term highway construction program so that any money that is appropriated can be related

to the long range program Now, an immediate appropriation on that basis does not answer any of the long range questions. It makes some money available for short term construction, but the practical aspects of the matter would be that any such appropriations would be, could not be related to a long term construction job, to the long term commitments, to rights of way, to all of the things in which we are so much interested.

Now, the point you make about facts, there will never be any more facts presented to the Legislature with regard to the highway needs of the State from among which you can make a legislative determination, there will never be a better set of facts with regard to the incidence of the taxation than is now before you. You wouldn't ever have any more facts, and based upon the fact that the same opposition which exists now existed when we had the gas tax, existed when it was raised from 2 to 3 cents. It existed in 1945 over a smaller program. It exists now, and will exist next year and two years from now. The time for the Legislature to try to act on the policy and the long term financing, we think, is right now.

Now, the disadvantage of what you propose is that it postpones the decision that must be made, and it acts in a short term sense, that here is a certain amount of money, make the best of it within the limitation of the grant as you find it will come through the Legislature, and none of the answers on the long range program are provided.

ASSEMBLYMAN GEDDES: Mr. Graves, I submit that the first thing we would know a year from now and two years from now and three years from now, would be whether the price of concrete has gone up or down or the price of real estate has gone up or down, or the price of steel has gone up or down, whether the price of labor has gone up or down, and whether the department that doesn't want us to know except on a long range program, give-us-the-money-and-we'll-do-the-work deal will be bringing in something which the Legislature will be justified in setting a proper tax rate.

I don't care whether it is 6 cents or 7 cents a gallon because the Legislature will find the money for housing and everything else that is needed for the people of California.

MR. GRAVES: Well then, it comes down to this, Mr. Geddes. There is a fundamental difference of opinion between the philosophy that you have just expressed and the opinion of our officers, and that is that we do not subscribe to a state highway program financed on a year to year basis.

ASSEMBLYMAN GEDDES: Well, that is definite as far as the position of your organization goes, that the short term financing appropriations, as you stated before, that is the position of the league, that the cities would get the short end of it, and that naturally would be a good reason for them to oppose it, unless the proposal was enlarged to take in the cities on some basis.

MR. GRAVES: No, we would still be against the principle

ASSEMBLYMAN GEDDES: You would still be against a short term businesslike planning and appropriation on current needs on current costs on current income?

MR. GRAVES: For highways we don't think that is the businesslike way to do it because you cannot schedule your commitment far enough in advance.

ASSEMBLYMAN GEDDES: Well then, I think I'd like to have you answer another question that Mr. Anderson asked to sum up. When he was asking the difference between the needs of highways and the need of housing—could we define it this way, that highways are something we use to go somewhere and housing is something we use to stay somewhere.

MR. GRAVES: And you need both.

ASSEMBLYMAN GEDDES: Sure.

CHAIRMAN HOLLIBAUGH: Did you wish to ask a question, Mr. Knight?

ASSEMBLYMAN KNIGHT: I was interested in your statement that your organization is opposed to a financial program of highways on a year to year basis Would you tell me what other method we have under our Constitution and our form of government to finance a program other than on a year to year basis?

MR. GRAVES: Well, we are using different words to express the same idea or the same words to express different ideas. As you realize, Mr. Knight, as well as I do, the present arrangement with regard to highway finance fixes a schedule of taxes which continue and unless changed by the Legislature, the appropriation is a continuing appropriation, and until and unless changed by the Legislature. The presumption can fairly be drawn from that set of facts that here is a continuity and there is a little matter in the Constitution, as you realize, which prevents the diversion of that money for anything other than highways by the Legislature, so that there is enough stability in that situation for people to program and to plan.

Now, if you get up to a figure unlike $28,000,000, you get up to something like $190,000,000 and you are on a year to year basis, especially when the first appropriation is out of surplus and when there can be no assurance that such a surplus will ever exist again, and when the figures tend to indicate that it will not, your whole basis of your program is different. You cannot make the same commitments with confidence that you will be able to finish the program, and in practice and as a practical political matter, you know that a year to year appropriation basis would be disastrous to any orderly development of the highway system.

ASSEMBLYMAN KNIGHT: Isn't it a fact that the only program that extends beyond a year to year basis is one which would be in blueprint form to be financed by the succeeding Legislature?

MR. GRAVES: Well, we have only this to go on, and that is that in all the years we have had highway user revenues, the Legislature has provided for their continuous appropriation for those purposes.

ASSEMBLYMAN KNIGHT: Yes, that is very true. Then, after all, it is only a matter of confidence in what the Legislature will do in successive years that raises the question, isn't that correct?

MR. GRAVES Well, except here you have a schedule of user taxes which can be used only for this purpose, and those taxes continue unless they are changed. In other words, it takes an affirmative act of the Legislature to change it, not to produce it Now, you create a situation where there is no continuity, where you are going into something other than user taxes. You are going into the General Fund of the State where

schools and many other things have a prior claim, and it takes an affirmative act of the Legislature through both houses as an active appropriation signed by the Governor to get any money for highways Now, that is a very different situation and it removes all of the stability of the arrangement.

ASSEMBLYMAN KNIGHT: Well, would we not be removing a very serious psychological barrier that stands between the people and the tax that has been proposed, a grand total of some $3,000,000,000, if we were to appropriate adequate funds to the Department of Highways to prepare blueprints which would project our highway system into the future 5, 10, 15, or 20 years, as is necessary, and then finance them according to our ability to pay, which is exactly what we are going to do. Every Legislature meets here succeeding this one anyway, isn't that true?

MR GRAVES: No, I'm * * *

ASSEMBLYMAN KNIGHT: You don't agree with me You think if we fix a tax now, it will continue for an indefinite period, that it will not be repealed by a succeeding Legislature; and if we do not fix a tax now, it will not be established by a succeeding Legislature?

MR. GRAVES: Certainly, I think, Mr. Knight, and I say this respectfully, the psychological difference is not with the people of the State as a whole. The obstacle that is presented to this program is not a free and full expression of the people's will. There are other factors at work which produce the obstacle to which you refer. Any action other than the adoption of permanent policies now only tends to postpone what the Legislature ultimately, I think must do, and we have already postponed it.

Now, bear in mind, Mr. Knight, that the State Highway Fund had about $20,000,000 a year before the war and they had fallen behind and no one challenges the first estimate that about $630,000,000 was needed, and then right of way additions brought it up to $690,000,000. That with the present schedule of revenues meant the work which the department was then financially unable to do at the then existing price, now that means that with the State Highway Construction Fund corrected to $30,000,000 a year, the only thing that has been done is to permit them to continue to fall as far behind as they were before the war and at about the same rate of falling behind. The State Highway Construction Fund must be 50 percent larger than it was before the war to do nothing more than to maintain the disadvantageous and unfavorable position that they occupied at that time.

Now, how can we postpone indefinitely, because it is difficult, how can we continue to postpone fixing a permanent and continuing highway policy?

ASSEMBLYMAN KNIGHT: I have made no suggestion that we indefinitely postpone it. I think it is a problem that meets us right now, but I think we should not attempt to deceive ourselves and the public by projecting our program * * *

MR. GRAVES: But, it is nothing more than you have done and are doing now, not particularly with regard to highways. The same thing that you have done, your existing policy in every single respect is all that we ask you to do now, but at a different level

ASSEMBLYMAN KNIGHT: I think we have both made our points fairly clear.

CHAIRMAN HOLLIBAUGH: Mr. Dills. Can you snap it up a little bit for the sake of the other men?

ASSEMBLYMAN RALPH DILLS: Mr. Chairman, I think to ask me to do so is asking me to do something that is unfair to me, and I say that in all good faith. I want to say to you, and I know you don't want to be, but I want to say to you that Mr. Graves, I take it, is a lobbyist for certain groups, and he has taken unto himself the prerogative of going all over the lot in his statement here, even supplying us with figures which the Highway Department wouldn't give us. I don't know how he got them yet, and so I don't feel that $3,000,000,000 is going to be placed in jeopardy by my taking say 45 minutes' time or 30 minutes' time or 15 minutes' time at this time.

CHAIRMAN HOLLIBAUGH: Mr. Dills, perhaps we might delay for the sake of hearing some gentleman who came here from San Francisco. Mr. Graves, I'm sure, would make himself available at any time.

MR. GRAVES: Yes, surely.

ASSEMBLYMAN RALPH DILLS: I had nothing to do with the scheduling of Mr. Graves' appearance. If he is available at all times and he is put ahead of someone who came over here from San Francisco, that is no concern of mine. When a matter is presented to you and the facts are before you, and the continuity of thought and the flow of all of it is with you, that is the time to ask the questions.

CHAIRMAN HOLLIBAUGH: Mr. Dills, I scheduled the hearing and not being able to judge how many or how lengthy the questions were going to be—but, if you insist, I'll give you all the time you wish. Unless the committee has some objection, you can go ahead.

ASSEMBLYMAN STEWART: Let him go.

CHAIRMAN HOLLIBAUGH: All right. If there are no objections, you may proceed.

ASSEMBLYMAN RALPH DILLS: Thank you, Mr. Stewart. It may not take very long. I never know where an inquiry is going to stop. Geddes was through and then Mr. Graves came back with a rebuttal. You can't tell when you are going to be obliged to stop and to start over again.

Now, may I ask you, Mr. Graves, it is true that you are a representative of the League of California Cities?

MR. GRAVES: That is correct.

ASSEMBLYMAN RALPH DILLS: You are paid to represent the cities of the State of California?

MR. GRAVES: I'm a full-time, 12 months a year, representative.

ASSEMBLYMAN RALPH DILLS: You are paid out of moneys appropriated by the cities, is that correct?

MR. GRAVES: That is correct.

ASSEMBLYMAN RALPH DILLS: Obviously they get that money from the public through some sort of device.

MR. GRAVES: The device is the power to tax.

ASSEMBLYMAN RALPH DILLS: Well then, you in effect are here as a lobbyist I hesitate to use the word because only those it seems * * *

MR. GRAVES: I have no reluctance. I'm here as a lobbyist.

ASSEMBLYMAN RALPH DILLS: Only those it seems who are against Senate Bill No. 5 or some portions of it are lobbyists. The others are representatives. I just wanted to see who you are.

MR. GRAVES: A rose by any other name.

ASSEMBLYMAN RALPH DILLS: I choose to call you then a lobbyist. Now, as a lobbyist for the League of California Cities, Mr. Graves, you endorse the tax features of Senate Bill No 5, is that correct?

MR. GRAVES: We have endorsed the principles of the tax features of Senate Bill No. 5, and we have specifically endorsed a gas tax increase from 3 cents to 5 cents, and we have suggested that the equivalent of an additional 1 cent be raised from the other sources used in Senate Bill No. 5 without endorsing the exact methods employed.

ASSEMBLYMAN RALPH DILLS: You then in effect endorse a 2 cent gas tax plus some other revenue raising measure to raise $25,000,000.

MR. GRAVES: On the basis of user taxes.

ASSEMBLYMAN RALPH DILLS: That is fine. Now then, practically what you are saying is that all this Legislature need do is to pass revenue bills to give you the equivalent of $75,000,000 new revenue a year and go home.

MR GRAVES: Well, hardly give it to me.

ASSEMBLYMAN RALPH DILLS: I mean give it to the Division of Highways.

MR. GRAVES: To give to the jurisdiction of the State Highway Commission, yes, as you do now, and to make available to the State Highway Commission for expenditure on the State Highway System the equivalent of that amount of money in accordance with whatever terms and conditions the Legislature lays down in the bill which it adopts, and whatever is within the power of the Legislature is the proper subject for legislative consideration in that bill.

ASSEMBLYMAN RALPH DILLS: Have you been a part of the log-rolling deal between the urban and rural area under which this one-third of the money would be spent on a 50-50 basis and the two-thirds would be spent on a 55-45 basis?

MR. GRAVES: Well, among the deals on these bills that have been made, I was in on the one that worked out a method of providing aid to the county roads and to the city streets. We were in on those discussions and had a part of that agreement

ASSEMBLYMAN RALPH DILLS: So that then the log-rolling which would take place if we in the Legislature determined where the money would be spent has already been done by the representatives of the cities and representatives of the counties, and we have already prepared for us a full-grown and full-fledged log-rolling deal which allocates the money and all we need is to pass the bill and give you the money to spend.

MR. GRAVES: Well, disregarding the adjectives, Mr. Dills, what is before you is a bill which is the property of the Legislature. Some men's ideas have found expression in it. There is nothing in it that is not within the power of the Legislature. There are no deals which commit the Legislature There are provisions in every bill before this House of any importance which individual groups have sponsored and which are written into the bill incidental to legislative consideration, and you know perhaps better than I that there is no deal in any bill which is above removal by the power of the Legislature.

ASSEMBLYMAN RALPH DILLS: That is interesting to hear you say it because I didn't know it, and I specifically didn't know it with respect to the highway program, and I wanted to ask you because you have used various ways of expressing the same thought here that Mr. T. Fenton Knight has been discussing with you. You said one time it would be legitimate for the Legislature to adopt a policy to check on the spending of the money. The Legislature should supply the necessary remedy if the department can't do its work right, and so on, and so in view of those statements that you have made in which you have intimated that the Legislature ought to take a more active part in the determination of where this money should be spent, but you categorically condemn, or rather, I should say you more particularly do not agree with the fact that the Legislature can effect an annual budget for the Highway Department.

MR. GRAVES: That is correct.

ASSEMBLYMAN RALPH DILLS: But, you are aware that there is a sham attempt to do just that in that the Highway Commission gives to the Governor a report of how much money they are going to spend each year and it is printed in this thing that most people think is the budget and which is simply like the Los Angeles telephone directory or the Sears, Roebuck magazine. It means nothing, but that these recommendations of the State Highway Commission do not find themselves in the Budget Bill at all, isn't that a fact?

MR. GRAVES: In the same sense as other appropriations, no they do not.

ASSEMBLYMAN RALPH DILLS: Well, if the Legislature is competent to determine whether or not we should spend the money in other departments of the State, why couldn't it be competent to determine whether or not we could spend money for a period of say four years ahead or plan a program four years ahead and spend the money year by year on a four year program.

MR. GRAVES: The only answer I can give is the Legislature used to do that and on the basis of its experience it decided the other system would be better and it changed the system by its own powers removing immediate consideration of project detail and allocation, and created the Highway Commission to do that for it because it was not satisfied with the job it had been doing on its own account.

ASSEMBLYMAN RALPH DILLS: I noted that the League of California Cities apparently were not very happy with the actions of the Highway Department. You said—I'm not sure that I got you correctly, but you said that somewhat bitterly and at long last the Highway Department has seen the need for doing some things in the city or freeways I guess you had a little trouble with them there.

MR GRAVES: Well, I think it is understandable All over the Country up until about 10 years ago the demand was for rural roads and rural highways There was very little recognition given to the development problem of the cities, and I think a few years behind the need they have begun to recognize it, and now they have recognized it adequately, much more adequately than they have ever recognized their responsibility within the cities before.

ASSEMBLYMAN RALPH DILLS: Do you suppose that would be as a sort of sop to the legislators from the urban areas in order to get them to go for this over-all bill?

MR GRAVES: No, because what has happened here in the last 10 or 12 years has also happened in the attitude of the Public Roads Administration which used to be the Bureau of Public Roads. It wasn't until 1944 that the Federal Government authorized the expenditure of any federal money within the cities The change in attitude in our own department is nothing more or less than a reflection of the country as a whole.

ASSEMBLYMAN RALPH DILLS: You did state, did you, that Mr. Richard Carpenter is a lobbyist for your group?

MR. GRAVES: He is our attorney.

ASSEMBLYMAN RALPH DILLS: I read a report in the *Sacramento Bee* in a recent meeting where he addressed some group, I believe here in Sacramento, in which he asked that group according to the paper to lend all of its support to the passage of Senate Bill No. 5. Now, I assumed that Mr. Carpenter and you and all of you in your work tell the people when you ask for them to support Senate Bill No. 5 that it means an increase of 2 cents in gas tax and so on?

MR. GRAVES: Yes

ASSEMBLYMAN RALPH DILLS: You explain that?

MR. GRAVES: Yes.

ASSEMBLYMAN RALPH DILLS: Now, I want to ask you a question. Did you explain to these people, say in Los Angeles County, that for instance under the 10-year bill as planned, the most recent—I say it is the most recent, I don't know, there may be another one in the last 20 minutes—but, the most recent state highway deficiency, January 30th, edition of the Senate Journal shows us that in Senator Collier's county, for instance, Siskiyou, one of his counties there is a deficiency program allotment there of $15,228,000 Now, checking with the motor vehicle registration there are 12,384. That means an amount per vehicle allotment for Siskiyou County of $1,229. Now, let's take Senator Hatfield's district, Merced. We find there in the deficiency program an allotment of $18,106,000, a vehicle registration of 25,205 That means an amount per vehicle allotment of $718. Then Senator Mayo, one of the supporters, of Mariposa County—I'm laying a foundation for a question with respect to Los Angeles County, if you will permit me Mariposa County, the 10 year deficiency program allotment there was $8,412,000 and the vehicle registration was $1,927, the amount per vehicle being $4,365. In Senator Powers' area, Modoc County, the deficiency program allotment is $5,288,000. The vehicle registration is 3,703, making the amount per vehicle $1,428.

Now, let's look at Los Angeles County. I understand that the City of Los Angeles is a part of the League of California Cities and contributes money to keeping you up here.

MR. GRAVES: That is right.

ASSEMBLYMAN RALPH DILLS: Los Angeles County allotment under the deficiency program of that date was $261,992,910. They had a vehicle registration of 1,411,881. Here is the thing that is very significant. The allocation per vehicle for Los Angeles County is $179. The allocation for vehicles in Mr. Collier's district is $1,229 Mr. Mayo's district is $4,365. Now, having in mind that we pay 60 percent in the southern counties of the bill, do you as a representative of the California League of Cities feel that we would be justified here in this Assembly, as representatives of Los Angeles County, to vote for such a program?

MR. GRAVES: May I state first that it is for the Legislature to determine, and I think you ought to insist on having the amount of information that you would require to determine whether the critical deficiency projects listed for Siskiyou County or Modoc or any other county are necessary and justifiable. I'm going to answer your question. I wanted you to understand that I cannot say that I'm prepared to stand here and say that every project listed for Siskiyou County is critical and essential and must be built. That is one other reason why our endorsement of Senate Bill No. 5 goes to the fundamental principles of the bill. We are not in a position to endorse the specific provisions, and that is why at least on half a dozen occasions I have urged this committee and this House to get all the information that is required to make the proper determinations. I hope in accordance with those general principles.

Now, with regard to the point you make, however You are, it is true a representative from Los Angeles County You are first of all, Mr. Dills, as you realize, and I don't have to tell you that, a member of the State Legislature. You have, have you not, responsibilities which go beyond your district. You are required to legislate for the benefit of the people of the State as a whole. I'm not telling you your duties. They are simple axiomatic truths.

No one has ever yet suggested that the cost of necessary construction of the State Highway System was related to the number of vehicles registered in a county. That is not a measure of the cost because obviously if you want to build one mile of state highway on the basis of the number of vehicles registered within that mile, there would be great sections in the State of California that would never be built at all. We have to assume that we want to be able to get from the northern border of California to the south, and from the east to the west of the State, and we want to be able to get from the interior north to the interior south. We want to be able to get from one place to another in the State of California, and the measure of the cost of the State Highway System cannot be the number of vehicles registered within each county. That is not and can never be the basis.

If the southern area of the State is inadequately provided for in this bill, and I'm not saying that it is or is not, and I answered the question earlier today that a state-wide organization like my own cannot and will not be able to get into the details of a position of 60-40 or some other formula. We have endorsed the principles as they are now established in Senate Bill No 5. I say to you seriously that whether or not the projects in Siskiyou County are justified is a matter of legislative finding and determination, but the measure is not the number of registered vehicles.

ASSEMBLYMAN RALPH DILLS: Now, Mr Graves, can the Legislature make any finding and determination of the need for a road in Siskiyou County, when we don't have a darn thing to say about whether it is located in Siskiyou County?

MR GRAVES: I don't think * * *

ASSEMBLYMAN RALPH DILLS: It is already in the budget.

MR. GRAVES: You have before you a statement of the State Highway Department listing critical deficiencies. You have one statement for $1,672,000,000 or something like that. One million seven hundred includes

the metropolitan freeway system. That is there from the State Department of Public Works. It has added to it the metropolitan freeway system, but the one billion four is their baby. Wouldn't it be reasonable to say that they should be expected to defend it as a statement of requirements without at the same time saying that the Legislature must reserve the power to appropriate project by project, route by route?

ASSEMBLYMAN RALPH DILLS: Before what body, at what place, and at what time would they be called in to defend it?

MR. GRAVES: If I may respectfully say it, this committee has that power and might well insist on it.

ASSEMBLYMAN RALPH DILLS: This committee doesn't have any power to determine whether or not there should be four lanes from Eureka to the Oregon boundary.

MR. GRAVES: You have the power to call them in here and to tell them what you want and why.

ASSEMBLYMAN RALPH DILLS: We tried to do that and we got more information from you than we did from them, and I would like to know where you get your information because we can't seem to get an agreement from them, you see, and we are having a little difficulty there. You have probably noticed that. So that leads some of us to believe that perhaps this thing might well be placed before the scrutiny of the Legislature from time to time. Now, you did say this, I believe, that the fundamental principles of Senate Bill No. 5 you agree to.

MR. GRAVES: Yes.

ASSEMBLYMAN RALPH DILLS: And the fundamental principles of Senate Bill No. 5 are the increasing of revenues.

MR. GRAVES: That is one of them, yes.

ASSEMBLYMAN RALPH DILLS: And is this 10-year program that is outlined, is that written into the bill in any way?

MR. GRAVES: By reference.

ASSEMBLYMAN RALPH DILLS: But, it is not legally, the Highway Division is not legally required to adopt this 10-year program?

MR. GRAVES: No.

ASSEMBLYMAN RALPH DILLS: So that this is simply the thing they tell us is deficient, but actually they don't have to spend it there at all, is that a fact?

MR. GRAVES: No, except that on the basis of the records to date and the information that is available * * *

ASSEMBLYMAN RALPH DILLS: But, it is true they don't have to, if they don't want to. They can change it?

MR. GRAVES: That is right.

ASSEMBLYMAN RALPH DILLS: So the final determination * * *

MR. GRAVES: Of course, routes are not in there anyway.

ASSEMBLYMAN RALPH DILLS: Well, whatever the description is, we have no way to determine that such description will be enforced after we vote all the tax revenue measures that you ask of us.

MR. GRAVES: The only thing you can be sure is that it will be spent on the State Highway System, and you have a chance to look at it from time to time.

ASSEMBLYMAN RALPH DILLS: Yes, but the principal thing which you say that you are for is that we should raise more revenue.

MR. GRAVES: The principal thing we are for is that an immediate start on the long range highway program with long range financing at the same time.

ASSEMBLYMAN RALPH DILLS: Four years is not far enough to figure?

MR. GRAVES: No.

CHAIRMAN HOLLIBAUGH: Well, if there are no further questions, we will excuse Mr. Graves.

ASSEMBLYMAN LOWREY: Mr. Graves, speaking to the budget once more, you are interested in the over-all program of raising money primarily, is that correct?

MR. GRAVES: We are interested in the over-all program of getting the highways.

ASSEMBLYMAN LOWREY: That is right. Now, specifically, year to year, if we provide the money for the over-all period what would be your organization's position of having the Highway Commission annually submit to the Legislature an outline as to the various equipment, salaries and wages, operating expenses and capital outlay, put those specific amounts in the budget for each year, having in mind the over-all program, putting that in each year for our scrutiny?

MR. GRAVES: Now, first may I say that I have no organizational position to take. I cannot speak for the league. We have never considered that. I don't like to run and hide behind that, so I'll give you my opinion. I don't see any reason why the Legislature should not review the administrative budget of the department, but I do see a great many reasons based upon legislative experience why you should not make project appropriations.

ASSEMBLYMAN LOWREY: Well now, I didn't mean * * *

MR. GRAVES: You said capital expenditure.

ASSEMBLYMAN LOWREY: That is right. Say for the Fiscal Year 1948-49 they would have $110,000,000 for capital outlay and in addition they would have a certain amount for operating expense, a certain amount for equipment, and a certain amount for salary and wages. Do you think that would work?

MR. GRAVES: I could give you—I have given you my opinion with regard to the general administration of the department. I think it would require—I would have to look at a bill to see what it did before I would want to express even a personal opinion on the second step.

ASSEMBLYMAN LOWREY: Well, now, I would also like to know what position your organization is in regarding the bypassing of cities or putting your expressways through the cities or urban areas of municipalities?

MR. GRAVES: We don't have an organizational position, but there are many circumstances whereby bypassing a city is to do the right thing both from the standpoint of the highway and the city because I do not share the view expressed here earlier today that a congested main thoroughfare in front of a business district is good for that district, and I think I subsequently learned that the merchants on Figueroa Street have a different opinion on the general freeway system after they saw what the Arroyo-Seco did for business in Pasadena, building it up instead of tearing it down. They have apparently changed their mind about freeways, and it makes a better deal for the merchant.

Now, with regard to bypassing cities I think it is primarily an engineering question. There are some cities that feel they would be hurt by bypassing We don't have an organizational position. I think we must in the last analysis look at the requirements of the State Highway System, do the minimum possible damage to any community or property, but we don't have any organizational position.

ASSEMBLYMAN LOWREY: Thank you.

ASSEMBLYMAN RALPH DILLS: May I just ask this one question. Mr. Graves, are you aware that the State Highway Commission met on the twenty-second of January this year, 1947, and submitted to the Governor an estimate of expenditures over and above the $63,000,000 which they submitted to him and which goes into this Sears and Roebuck Catalog here of an additional $3,500,000 for highway construction for this year?

MR. GRAVES: I don't know about that.

ASSEMBLYMAN RALPH DILLS: That is a fact.

MR. GRAVES: I don't know about it or why or what it means.

ASSEMBLYMAN THOMAS: I make a motion we adjourn until tomorrow at two o'clock, Mr. Chairman.

ASSEMBLYMAN STEWART: I second the motion

CHAIRMAN HOLLIBAUGH: All in favor say aye.

MEMBERS OF THE COMMITTEE: Aye.

CHAIRMAN HOLLIBAUGH: Contrary?

MEMBERS OF THE COMMITTEE: No.

CHAIRMAN HOLLIBAUGH: The ayes have it and it is so ordered. (There was some opposition to adjournment at this time.) All right. Then, we'll take a roll call on it. Did you want to further question Mr. Graves?

ASSEMBLYMAN GEDDES: I don't mind excusing Mr. Graves, but maybe I'm being a little selfish in this. We have very often held until 5.30, and I have to be in San Francisco all day tomorrow and I'd like to get in, but if you have no further witnesses, of course, I'll yield.

CHAIRMAN HOLLIBAUGH: I excused the other people who were going to appear because they were getting impatient and one man had almost gotten out of a sick bed to come and he sat as long as he could, so I excused the other gentleman.

ASSEMBLYMAN GEDDES: Well, I withdraw my objection.

ASSEMBLYMAN KIRKWOOD: Mr. Chairman, I would like to ask one thing. Is Mr. Grumm going to be put on?

CHAIRMAN HOLLIBAUGH: Yes, he is. Mr. Grumm and Mr. McCoy and the gentlemen of the department are available and we have had them here every day in case we had a little time to try to get them in because these other people have come from out of town and we wanted to give them the first chance.

ASSEMBLYMAN KIRKWOOD: We do seem to have had every witness asked a line of questions that refer primarily to Mr. Grumm and he is present now, and I wonder if it wouldn't be a good opportunity to question him.

CHAIRMAN HOLLIBAUGH: Mr. Grumm was scheduled for the first day when Mr. Purcell was here and because the questioning dragged out so long with Mr. Purcell, we were unable to get to him. If the committee wants to wait a while longer, I'm sure Mr. Grumm will be glad to accommodate us.

ASSEMBLYMAN KIRKWOOD: I'm just asking. I don't know whether the other members of the committee are in agreement.

ASSEMBLYMAN GEDDES: Mr. Chairman, I make the substitute motion that we continue until 5.30.

(The previous motion to adjourn was voted upon by roll call with eight noes and five ayes. Thereupon the motion to continue to 5.30 was seconded and voted upon by roll call and carried.)

CHAIRMAN HOLLIBAUGH: Who is the first one? Mr. Geddes wished to make an inquiry of Mr. Grumm.

ASSEMBLYMAN GEDDES: First might I inquire—you have no prepared statement, I understand. You are here at the request of the committee, and in what particular phases of this problem are you best qualified to answer?

MR. GRUMM: Mr. Geddes. I'm the Assistant State Highway Engineer and I have associated myself with and have reviewed all of the various data and information that has been given to the Collier committee over the last year and a half, and I have a wide general knowledge of the conduct of the department so that I'll try to answer most any of the questions that you may wish to put to me.

ASSEMBLYMAN GEDDES: Those then, would be as to the particular questions on which we have endeavored to gain answers as to how much has been spent and on what projects and their location and what is contemplated in the immediate future and so on?

MR. GRUMM: Yes.

ASSEMBLYMAN GEDDES: All right. I asked that question, Mr. Chairman, so that those who wanted to question Mr. Grumm if they confine themselves particularly in that field, I think they can get their questions in by 5.30.

CHAIRMAN HOLLIBAUGH: Is that all you have?

ASSEMBLYMAN GEDDES: Yes.

CHAIRMAN HOLLIBAUGH: Mr. Robertson was asking a while ago to question Mr. Grumm.

ASSEMBLYMAN ANDERSON: Mr. Chairman, there are several questions we would like to ask Mr. Grumm, but I think the fellows that have asked them have left, and I think he should come back tomorrow on this. I have one or two. Mr. Purcell was asked in regard to what percentage of this program was rights of way and he said that data would be secured and given to us. Can you tell us how much of this is actually going to rights of way?

MR. GRUMM: You refer to the deficiency report, Mr. Anderson?

ASSEMBLYMAN ANDERSON: Yes.

MR. GRUMM: No, I have not that information with me at the present time, but hasn't that been furnished to the committee yet since Mr. Purcell promised it?

ASSEMBLYMAN ANDERSON: Not to me. If it has, I haven't received it. I haven't seen it rather. There were several questions in connection with those rights of way. One was the amount of the rights of way in connection with the other items and what the cost of this property was in say 1941 and what the anticipated cost would be today, when it was acquired and what it might be in the future when property prices level off a little bit. That was the connection it was asked on rights of way.

MR. GRUMM: Taking the deficiency report of 1946 for the 1946 to 1956 10-year period and just reading the totals, the rights of way totals * * *

ASSEMBLYMAN LOWREY: Just one second. Now is this the critical deficiency of 1945 or is this the deficiency program of 1946? Which one is it?

MR. GRUMM: That is the deficiency program of 1946, the grand total of which is one billion four hundred fifty-eight million nine hundred odd thousand dollars. The total for rights of way indicated there is $288,-431,000, and the construction costs would be the difference They are divided between rural and city and freeways, the total cost being $1,458,-000,000. That would make about 20 percent for rights of way, and the balance for construction and construction engineering.

ASSEMBLYMAN ANDERSON: How would that figure on cities and rural districts. That question was also asked.

MR. GRUMM: I don't have that difference. The right of way costs in the cities on the urban freeways would be considerably higher than 20 percent. They run up to 60 and as much as 90 percent on portions of them.

ASSEMBLYMAN ANDERSON: The cost of the rights of way, is that figured as today's costs or is that also the * * *

MR. GRUMM: Those are estimated at the same price that is indicated in the deficiency report, on current prices.

ASSEMBLYMAN ANDERSON: Do they have any idea as to how much higher that would be than say a normal figure?

MR. GRUMM: The right of way costs will run approximately 50 percent higher than they did in 1935 in the country and up to 70 or more percent within the cities. They balance out about an average for the whole list of projects about I should say 50 percent above 1941 prices.

ASSEMBLYMAN ANDERSON: Well now, another thing on this competition with this highway program with the other institutions of the State. In going around to these different institutions we are told the reason they are not spending the money we appropriated in the last session is because of the critical shortages. I believe you are the agency that lets out these different contracts. Do you think that this highway program will aggravate the conditions further so we won't be able to do the constructing on these institutions we had hoped for in the last session? Do you think it will make it more aggravated, or do you think it will be pretty much the same?

MR. GRUMM: Mr. Anderson, I don't think the highway program if it should go forward now would have any effect on the building program. I think the different materials that are used and the different endeavors of both, and labor and so forth are not common to both of them. The materials used for building construction are entirely different and the shortages that occur now for which reason they are not building these particular structures do not affect the highway department. About the only common material that is used in both instances would be steel and the highway doesn't use a great deal of the steel. It is usually only used in small quantities. We have let no contract which involves structural steel. All of the contracts that have been awarded by us for structural steel are those of very small amounts which have been approved by the Public Roads Administration for projects that were urgently needed. I think the total quantity of steel we have used is less than 2,000 tons in a year.

ASSEMBLYMAN ANDERSON: Well, this representative from the California Manufacturers Association stated that the moving of these different utilities, the gas, the water, the lights, and things like that that would have to be moved by the construction of freeways, that there would have to be a lot of moving, a lot of power lines, a lot of transformers put in and the companies that manufactured these would go into that business of making those items rather than taking care of some of the things that would take care of the critical shortages that we have in housing and institutions. It was his theory that going along with this program would tend to aggravate this shortage even worse. Would you disagree with him that a lot of things being used now would tend to go into the moving of these utilities?

MR GRUMM: No, I don't think that is quite as bad as he said it was because this whole program is extended over a period of 10 years. It isn't all going to be done in the first one or two years. The critical time exists right now it is true for some of these materials, but the amount of work that's being done immediately, I think, as far as the highway work is concerned and the requirements on the public utilities and private utilities for moving their facilities, is not sufficient to really hamper the housing program or the building and construction program.

ASSEMBLYMAN ANDERSON: Well, their thought along that line was that if a city or the State indicates where a freeway was going to be built, say here in Sacramento, and they tell them they are going to have to move their power lines at a certain date, and when the construction actually starts they are only given so many months to get their lines out of there, they will be looking ahead and will be getting the materials necessary so when the date for removal comes, they will have the needed equipment to do the moving, and as a result they will be putting their orders in now even though they might not have to do the actual moving until say two or three or four years hence. Don't you think that would take the materials off the market?

MR. GRUMM: I think there may be a certain amount of that storing of materials but I don't think it will be sufficient to really affect the housing program, Mr. Anderson. I'm inclined to think that this whole matter is going to be relieved in a few years, two, three, or four years you specify. All of these materials will be much more plentiful and I don't think there will be that restriction that you now think exists.

ASSEMBLYMAN ANDERSON: That is the thought many of us have or at least we are trying to feel out here. We feel these different shortages will be relieved in probably two or three years, the materials needed for housing and schools and for the public institutions and that that might be the best time to start in with the highway development program rather than starting with that right now, and whatever competition there would be for those materials would now aggravate the conditions worse. Now, it seems to me that your thoughts along that same line agree, and ours, pretty much.

MR. GRUMM: I still don't think there is enough material that is critical that is involved in this program which is affected or which is involved in the highway program, that is the moving of the utilities and the materials that are critical to them, that there is sufficient of that involved to really make any impression on the housing or building program.

ASSEMBLYMAN ANDERSON: Thank you.

CHAIRMAN HOLLIBAUGH: Mr. Kirkwood, did you express a desire to question Mr. Grumm?

ASSEMBLYMAN KIRKWOOD: Well, I don't know that I particularly have any questions I would really rather put them to Mr. Grumm if he is going to be called back at a later date.

ASSEMBLYMAN LOWREY: Mr. Chairman, there is only one question I should like to ask and that is the same question I asked of Mr. Graves regarding the financing of the Department of Public Works. Would it be impossible, or would it work a hardship on your department, Mr Grumm, providing we give the State the over-all program, that is the tax set-up providing the money over a 10-year period or a longer period by increasing the taxes, would it work a hardship on your department then each year for you to submit a complete budget of expenditures to the extent that you would list your equipment, salary and wages, operating expenses, and in addition the amount for capital outlay for each year to the Legislature as each year goes along for our approval That is having in mind the over-all program over a long period

MR. GRUMM: Mr Lowrey, the State Highway Commission submitted to the Governor a budget which includes not only the estimated revenues, but all of the allocations that have been made in about the manner in which you describe them. It includes administrative highway planning, maintenance, major street money for the cities' quarter cent, buildings and plants, engineering, right of way, the city quarter cent for state highways, the San Francisco-Oakland Bay Bridge operation, maintenance and reconditioning of existing highways and resurfacing of existing highways, the installation of channelization structures and traffic signals, and such other things are all included in that budget that was submitted to the Governor and I think it is in the big budget book.

ASSEMBLYMAN LOWREY: Then my question would be, you would have absolutely no objection and it would not work a hardship to have all moneys that funnel through your department to come completely under the jurisdiction of the annual budget?

MR. GRUMM: We make that annual budget on that basis now

ASSEMBLYMAN LOWREY: And so if we made it apply very stringently, it would not injure your department in its normal functioning?

MR. GRUMM: The writing of the budget into the Budget Bill, is that what you have in mind?

ASSEMBLYMAN LOWREY: Yes.

MR GRUMM: That would make it rather inflexible insofar as revisions that are necessary. Let me say it this way There is hardly a year or hardly a month goes by but we have some extraordinary piece of construction or piece of work to do that comes up which nobody can foretell ahead of time. For instance, since October 1946 we have had three bridges fail on us, and we have had to put up money and build temporary structures at these places to take care of situations like that. If things like that could be taken care of, if the situations that develop by reason of many things that arise, if they can be taken care of, I say, yes, then there wouldn't be very much objection to writing the budget into the Budget Bill, but it does make it rather inflexible to take care of emergency situations that arise and changes that come up. We have stuck to the

budget, the budget that we have submitted. All the projects in that budget are either under way or are still before us and contemplated to be done, but we do have to change the amounts of money that are needed as we develop the detailed plans. The estimated costs for these various projects and these various functions are rather difficult to tell ahead too far. There may be conditions arise that require a change in those amounts. We have had to increase or diminish at various times the amounts of money necessary for doing certain projects. We have bids come in and then we have had to increase the allocation in order to be able to award that contract.

Now, if a budget could be written into the Budget Bill and could be flexible enough to allow for that thing, then I think we could operate.

ASSEMBLYMAN LOWREY: Under your present operation I have been told that you first set up work projects, is that correct?

MR. GRUMM: All of the money that we spend is written up in work orders. In other words, that is the authority to the particular individual or the particular group of people to go ahead with the expenditure.

ASSEMBLYMAN LOWREY: Well then, after you get your work order written up then it would show that that money has been expended, is that correct?

MR. GRUMM: Then when the work is completed a final report comes in showing the amount of expenditure under that work order, and any balances are reverted to the contingency reserve.

ASSEMBLYMAN LOWREY: Well now, if you deem it essential and necessary or an emergency arises, it is within the jurisdiction of the department to withdraw that work order and reappropriate that money to another project, is that correct?

MR. GRUMM: That depends on the character of the work order, Mr. Lowrey. If it is a work order to cover a contract, then we would not withdraw because we couldn't cancel the contract.

ASSEMBLYMAN LOWREY: Well, in some instances, there are instances where such a procedure might be followed, is that correct?

MR. GRUMM: Yes, we might write a work order for acquiring a right of way on a certain project, and then find that we should not proceed with it. We would cancel the work order and withdraw the funds.

ASSEMBLYMAN LOWREY: Then you could use that money in another fund?

MR. GRUMM: Yes.

ASSEMBLYMAN LOWREY: But, it would show as of the budget at this particular time that that money was being expended, wouldn't it?

MR. GRUMM: Yes. It would include all of those details.

ASSEMBLYMAN LOWREY: But at the present time, it doesn't so you do have a working fund. I hate to use the word "juggle" but you can manipulate it if necessary to meet an emergency?

MR. GRUMM: Mr. Lowrey, we have what we call a contingency reserve. It is about 5 percent of the construction cost and we use it to amplify or take care of these emergency projects. In other words we use it to make the necessary amount to make the contract go if the bids called for an additional amount over the allocation, or to take care of emergency situations and those things that I described before. We have that fund

called the contingency reserve. Whenever we have any balances remaining from a work order from a project that has been completed we return that balance to the contingency reserve trying to maintain it at about 5 percent of the construction cost, because our experience has shown us that about that much is needed to protect the contract or the work order.

ASSEMBLYMAN LOWREY: Well then, if we permitted you to have this 5 percent contingency fund, then you would have ample moneys to complete emergency bridge conditions such as you mentioned here a short time ago, is that correct?

MR. GRUMM: No, that isn't entirely correct, Mr. Lowrey, because emergencies have occurred which have required considerably more money than we had in our contingency reserve. For instance in the 1938 storm we experienced losses up to $9.000.000 cost to repair. Now, we had no such amount of money in the contingency reserve and we had to defer a number of projects in the program in order to put up that $9,000,000 for repairing existing State Highway Systems

ASSEMBLYMAN LOWREY: Of course, we could answer that I assume by a special session, because we have in the past, when we have unusual weather conditions or catastrophies, it wouldn't be particularly out of order for the Governor to call a special session such as he has done at this time.

MR. GRUMM: That is true.

CHAIRMAN HOLLIBAUGH: Gentlemen of the committee, it is now five thirty-two or three. According to our motion, we were going to recess at five thirty. If there is no objection * * *

ASSEMBLYMAN WATERS: Mr. Chairman, I have no objection if Mr. Grumm can return for a few minutes tomorrow. I notice most of the members of the committee who voted against the adjournment have now gone.

CHAIRMAN HOLLIBAUGH: Mr. Grumm has to go to Los Angeles to a very important meeting tomorrow and he will be back Thursday.

ASSEMBLYMAN WATERS: That will be satisfactory with me then.

CHAIRMAN HOLLIBAUGH: Thank you for your patience in sitting around here so long We will now adjourn.

(Thereupon the committee adjourned at 5 35 o'clock p.m.)

REPORTER'S CERTIFICATE

This is to certify that I, Alice Book, a stenotype reporter, was present at the time and place the foregoing proceedings were had and taken before Assemblyman Hollibaugh, Chairman of the Assembly Committee on Revenue and Taxation, in the Assembly Chamber of the State Capitol Building at Sacramento, California, on Monday, March 10, 1947, and that as such stenotype reporter did report the aforesaid proceedings on the stenotype machine, and afterwards caused the said stenotype notes to be reduced to longhand typewriting, and the foregoing pages beginning at the top of page 1 to and including line 24 of page 112 hereof constitute a full, true, complete, and accurate transcription of the aforesaid proceedings.

Dated this twenty-first day of March, 1947.

GRAESER REPORTERS
By ALICE BOOK, Reporter

HEARING BEFORE THE COMMITTEE ON REVENUE AND TAXATION ON THE CALIFORNIA STATE HIGHWAY SYSTEM

Assembly Chambers, State Capitol
Sacramento, California

Tuesday, March 11, 1947, 2 p.m.

CHAIRMAN HOLLIBAUGH: Ladies and Gentlemen, we have been waiting trying to get a quorum here. It is 10 minutes past the hour, so I am going to start now. I will call the roll of the Assembly Revenue and Taxation Committee.

(Thereupon roll call was had.)

There is a quorum present.

For the benefit of those who have not been here before, this is a meeting of the Assembly Revenue and Taxation Committee, considering special session highway bills: 1, creating a Highway User's Fund; 2 setting up the administration of the highway system; Assembly Bill 6, which is the gas tax bill; Assembly Bill 7, fuel tax; Assembly Bill 8, transportation and weight tax; Assembly Bill 12, the exemption from fuel taxes.

The first gentleman to appear this afternoon is Mr. Clyde Edmondson, who represents the Redwood Empire Association of California. Mr Edmondson, will you take this mike down here?

I will introduce Mr. Edmondson.

MR. CLYDE EDMONDSON: (General Manager, Redwood Empire Association, San Francisco, California) Mr Chairman, and Gentlemen: Who is the Redwood Empire Association? It is composed of San Francisco, Marin, Sonoma, Lake, Mendocino, Humboldt, Del Norte and Napa Counties in California, and Josephine County in Oregon, nine counties in all, though Josephine County is not concerned here.

Our people have been interested in the highway proposition for 26 years, working in a nonprofit organization purely in the public interest. They are particularly concerned about the accident rate that exists in their particular section of the country, which involves secondary and primary roads, as well as federal highways. In the next fiscal year, based on existing revenues under the existing act, there is a total of $3,548,000 for the North Bay section. Of that amount, practically all of it is for deficiencies. Now, that figure will end up in quite a bit of new mileage? On the contrary, that produces exactly 14.7 miles in 8,000, and for 1.8 miles leading into San Francisco. That is a grand total of 16.5 miles—that is the grand total of the allocation for the next fiscal year. That is out of a total allowed for Northern California of $23,125,000, approximately 16 percent.

We do not blame the Highway Commission for this very small mileage and reconstruction. As I say, most of it is bridges and approaches, with the many bridges and other streams and chasms, and very heavy construction, and therefore, very expensive work, but that is, after all, a part of the State Highway System, and people go from the northwest into Central and Southern California.

It is, therefore, of direct interest to the State as a whole, and that includes the proposition of deaths and accidents toll. There is not a

price on anyone's life, I believe, there is no evaluation set on it. I will not repeat it, but we will agree as to those evaluations.

Now, I think we will agree that that amount of mileage out of a total of less than $3,000,000 in our territory is very small for one year. As I say, we don't blame the Highway Commission. The answer is simply this: The Highway Commission hasn't enough money to meet these projects and eliminate these hazards, and these death-falls, therefore, our people are definitely in favor of additional financing adequate to meet the present deficiencies and death traps, and eliminate them, and meet the requirements of future years as far as they can be met.

The method of taxation, any formula, or how it should be divided, except that it is sympathetic with the formula, we believe that the Legislature should be urged to increase appropriations for highway construction and reconstruction; that costs thereof be equitably assessed against highway users of all types in proportion to relative benefits enjoyed by such users. We do not attempt to tell the Legislature how or in what proportions, or by what formula, these taxes should be assessed against various highway users, this being the function of the Legislature, based on engineering and other highly technical data assembled and submitted by the Legislative Fact-Finding Committee to the Collier committee. We don't attempt to analyze those and try to tell the Legislature how they should act with relation thereto. So much for the financing in general.

Our people are also opposed to any attempt to deliver county roads into the jurisdiction of the State. They are firm believers in home rule. They believe that they are closer to the people when it comes to the county roads than the State ever could be They are also of this mind, that some consideration should be given to the fact that the costs are more per mile to construct in the north than it does in the south, by virtue of the heavy terrain I mentioned. In our heavy terrain so many less miles can be constructed than can be constructed for the same amount in the desert counties. That is the problem we are up against, so we recommend that in any future apportionment for the division, the money between the north and south, that factor of greater cost per mile be taken into consideration.

They believe that the vehicles owned by the Federal Government, driven and used by the Federal Government, should pay all charges as any other citizen vehicle owner. I am giving these facts fast so as not to take too much of your time.

They believe that any taxes that are levied, that a fair division be made, because the increased cost of construction and the fact that property is already overloaded with taxes, as you know. They are opposed to the return of any state highways for the same reason, that property is already overburdened with taxes of various kinds, and they recommend that the Federal Congress—the United States Congressmen, be memorialized to appropriate more adequate sums for federal aid highways, the secondary feeders, and farm-to-market roads, and so forth, based on the premise that motorists throughout the Nation, more and more, are traveling transcontinentally and coastally, particularly using California's highways and bridges.

Insofar as the expressways are concerned, the Lombard Tunnel in San Francisco should be made a part of the expressway system within

that city. That is quite as provided in the City and County of San Francisco.

They have a few roads that they have here recommended for the streets and highways system. I believe there are some miles in now that would eliminate the difference between primary and secondary, particularly two open gaps where there are dead ends in the State Highway System. It is on the present Route 56, Shoreline Highway, namely: Marin Sonoma Line to Jenner Bridge in Sonoma County; Westport in Mendocino County to Ferndale in Humboldt County, which should be constructed to complete the unit.

There is another decision made by the Attorney General, now prohibiting the use of public funds in maintaining county roads with less than 40-foot right of way, so our county supervisors can do nothing to ameliorate that situation. Numbers of county routes in Northern California have less than 40 feet—they grew up with the people that were raised in that region. There must be some relief in that direction.

We believe that the State Division of Highways should maintain the Golden Gate Bridge. It is a $35,000,000 venture. It is a publicly owned bridge, and for no other benefit. It was created and constructed by the taxpayers of six counties, San Francisco, Marin, Sonoma, Napa, Mendocino, and Del Norte, the taxpayers of which pledged their properties behind that $35,000,000 structure. The bridge has always operated in the black and never in the red, and, as I say, it is a political subdivision of the State of California. There are included in the appropriations on July 1st the sum of $1,150,000 for maintenance, operation, and insurance of the Oakland-San Francisco Bay Bridge, which, as you know, is state-owned, and never pays for operations, for maintenance or insurance, though it is a public utility operated solely in the public interest. We, therefore, recommend, the State Division of Highways be directed to maintain the Golden Gate Bridge. If that be accomplished, the public would save about 30 percent, according to the present order.

Finally, and this is just a thought, it is not an official recommendation, our people have been given some serious thought to the idea of rural expressways. As you know, there are proposed for certain parts of 101 and 99, running from the Arizona border up to the Oregon border, certain expressways, one of which would travel through our section. Although we certainly favor these expressways and freeways within the cities, I am talking now about, entirely about the rural areas. We question, and we may be wrong, we question and we think it is worthwhile, in that the application of that principle might differentiate against our territory's property. We are concerned primarily and I am interested primarily in our district where we live. The tourist business, for example, buys our goods, enabling us to make our living—our living depends on the cash customers who traverse the highways in our section, and we also depend on being able to attract these people; so therefore we ask the question, perhaps it will be answered during the afternoon, or later, whether or not the taxpayer's institutions will be put out of business by these expressways. Further, these expressways may become the factor that precludes future investment, which might be invested in our industries, for example, the lumber industry, which is one of the three largest in the United States, and probably the second largest in California.

Gas taxes are collected from the motorist the minute they enter the State. All of us benefit from the sale of that gas to them, but for us, we have to depend on having that motorist stop in our section and buy our merchandise, so I want to re-emphasize that we are not talking about the expressways in the cities at this moment. We are talking about expressways in the rural areas. Rather than taking any more time, Mr. Chairman, I will be very glad to answer any questions.

CHAIRMAN HOLLIBAUGH: All right, Mr. Edmondson—any member of the committee have any questions to ask Mr. Edmondson? (No response.)

Any Member of the Assembly? (No response.)

There seems to be no questions, Mr. Edmondson. We wish to thank you for appearing here. We appreciate it.

The next gentleman asked to appear this afternoon is Mr. Don Gilman—is Mr. Gilman here? He is representing the Western Oil and Gas Association. Come around here and take the mike?

MR. DON E. GILMAN: (Executive Vice President, Western Oil and Gas Association.) May I bring Mr. Pearce with me?

CHAIRMAN HOLLIBAUGH: Mr. Pearce, will you come around here? (Indicates)

MR. GILMAN: Mr. Chairman and Members of the Committee: Before I make any formal statement, which I have prepared, I'd like to say that the Western Oil and Gas Association, I understand, has embarrassed you gentlemen somewhat with the flood of postcards. I might say that that flood is a surprise to us as well as to you, because we did not anticipate that anything like that return of cards would follow.

Normally, experience in that type of mailing only shows a very nominal return, therefore, if the flood has come upon you, I am sorry. I only hope it may be helpful to you.

I might say also that we have not expended a fabulous sum of money upon it, but a very reasonable sum of money, which was drawn from our public relations fund, and not any special appropriation.

You have extended an invitation to the Western Oil and Gas Association to appear before your committee for the purpose of outlining the views of the California oil industry with respect to legislation proposing to increase the state gasoline tax.

In order to make our position clear, may I first state that the oil industry is strongly in favor of building adequate highways and providing for their proper maintenance. California's economic welfare is so dependent on highway transportation that it would indeed be shortsighted for our industry to oppose adequate financing for state and local highways Moreover, it would be unfair to the motoring public who constitute our best customers, for us to interfere with the development of good highways or to object to any well thought-out plan for financing their construction.

We would also like to state that we recognize that California has a serious highway problem. This is due partly to inability to carry on highway work during the war, and partly to the great influx of population which has taken place in recent years. This condition also prevails in the case of many other public and private facilities such as school buildings, government institutions, office buildings, hotels,

apartments, and individual dwellings. To thousands of our citizens the biggest problem is that of finding a place to live in. Thus highways are not the only instance of inadequacy.

In the case of our highway system, it is recognized by many that much of the present difficulty is due to the inability of administrative agencies to prepare plans, acquire rights of way, obtain materials and execute construction programs. Others contend that the difficulty is due to lack of money with which to finance highway construction. The latter group, consisting of both public officials and civic organizations, advocate an immediate increase in highway taxation and they believe that this will solve California's highway problem. There are others who believe that eventually more revenue may be needed, but with plenty of cash now on hand they feel that there is no hurry about deciding such an important issue.

Unfortunately the solution to the problem does not consist of the simple expedient of arbitrarily increasing tax rates. Many of those who pay the bill feel that there are too many unanswered questions and until answers are provided they are opposed to increased taxation. Our industry is among those who share this viewpoint, and in our case our primary interest is directed to the proposed increase in the state gasoline tax. Our appearance before your committee is to oppose any arbitrary increase in the gasoline tax until the need for such increase has been demonstrated more convincingly than it has up to this time. The questions we raise are as follows:

The first question deals with how much highway money is now on hand and available for expenditure. On September 25, 1946, the California Major Highway Development Committee sponsored by the State Chamber of Commerce reported to the Collier committee that as of June 30, 1946, there was on hand in the State Treasury or due in federal aid the sum of $133,000,000 available for state and local highway purposes. As of December 31, 1946, the State Controller's records showed that highway and motor vehicle money in the State Treasury aggregated $107,000,000, which figure does not include some $33,000,000 in federal aid receivable, making a grand total of $140,000,000. On the same date, the State Controller's records showed that the Division of Highways had $60,000,000 invested in United States Government Bonds. Yet the statement has been made repeatedly that absence of cash is holding back state highway construction.

Actually what is being done is to encumber cash on hand either by issuing work orders or letting contracts. The inference to be drawn from this procedure is that actual construction is being held up because there is insufficient cash on hand. Actually, spending agencies set up budgets and let contracts on the basis of not only cash on hand, but also anticipated revenue. The simple bookkeeping procedure of encumbering funds should not deceive anyone into thinking that the State Highway Fund is exhausted, or that highway construction is being held up because of an empty State Treasury.

The second question deals with the potential yield of the existing highway revenue structure. On November 26, 1945, the State Division of Highways reported to the Collier committee that it estimated that revenues available for state highway purposes in the following 10 years would amount to $508,000,000. On September 25, 1946, the Cali-

fornia Major Highway Development Committee estimated that revenues for state highway purposes in the 10-year period would aggregate $730,000,000. The State Division of Highways revised its estimate and advised the Senate Transportation Committee on January 22, 1947, that the new total would be $653,000,000, or about $145,000,000 more than its earlier figure.

These widely divergent revenue estimates are a source of much confusion. No one can with any degree of accuracy forecast revenue 10 years into the future. The best that they can do is indicate the approximate expectancy of the existing tax system, and it appears that from these figures we can expect a much greater amount of revenue in the future than has been realized in the past. It is our belief, however, that the revenue estimates of the California Major Highway Development Committee appear to be more logical than the estimate of the State Division of Highways. Perhaps the most logical policy to follow is not to plan highway finances 10 years in advance.

The third question deals with the amount of money needed for state and local highway purposes. By subtracting available revenue from proposed expenditures, it is possible to determine whether any additional money is needed, but the recommended expenditure program must be defensible and not misrepresent actual need. On this subject, it would require engineering knowledge which we do not possess, but we can point out enough of the inconsistencies in various spending programs to cast doubt on their accuracy.

On October 29, 1945, the State Division of Highways submitted to the Collier committee a detailed program of state highway construction known as the critical deficiency program and estimated it would cost $634,000,000 in the ensuing 10-year period. In fact, the division said that through the expenditure of this amount the projects constructed would have sufficient capacity to take care of traffic up to 1960. On February 5, 1947, there appeared in the Senate Journal a revised deficiency program estimated to cost $1,672,000,000. This represents an increase of $1,038,000,000 in 16 months, or 164 percent. Following the submission of the original plan, it was shown by the California Major Highway Development Committee that the State Division of Highways would have sufficient funds from existing sources to finance the $634,000,000 program. So it is possible to conclude that revisions in cost estimates were made in order to demonstrate that an increase in tax rates is necessary, especially since the revised program was submitted at the time Senate Bill No. 5 was being considered by the Senate Transportation Committee.

In order to indicate the inconsistency of the two plans, let us cite a few comparisons. In 1945, the State Division of Highways reported no critical deficiencies in the state highways of Alpine and Mariposa Counties. Now the division reports that it will be necessary to spend $3,942,000 in Alpine County, and $8,412,000 in Mariposa County. In 1945 the Division of Highways reported that Butte County needed two and a half miles of new state highway to cost $368,000. Now it reports that 98¼ miles of new state highway are needed and that the cost will be $10,666,000 or roughly 30 times as much. In 1945, San Francisco was reported as needing $29,000,000 for new state highways and today

the bill has risen to nearly $180,000,000. Yet, for some reason, San Mateo County is reported to need less today than 16 months ago.

Let us examine a few individual projects. In 1945, it was estimated that a projected freeway from Richmond to Hercules would cost $2,120,000, while today this same project will cost $4,185,000. The right of way cost for the same project has increased from $70,000 to $485,000 in the same period of time. A new state highway from Roseville to Auburn has increased in cost from $1,050,000 to $2,390,000, and the right of way cost has increased from $50,000 to $290,000. In Siskiyou County it is noted that the total right of way cost has increased from $494,000 to $1,030,000. Yet the assessed valuation of all the land in that county is less than $11,000,000, and 58 percent of the county is owned by the Federal Government which does not charge for highway rights of way.

If this $1,672,000,000 program is carried through, it means that in the next 10 years state highway construction will be almost three times as much as has been expended on state highway construction in the past 34 years. From 1912 to June 30, 1946, state highway construction outlays have aggregated but $609,000,000, and a considerable amount of the work was done at higher unit costs than prevail today, because in those days the Division of Highways did not have modern mechanical equipment or the advantages of present engineering technique.

It should also be borne in mind that this figure does not include money required for administration and maintenance of the state highways. Moreover, it does not include money for county roads and city streets. It applies only to 7,946 miles of state highway, and involves an outlay of roughly $210,000 per mile. Of special interest to local governments is the fact that the proposed program contemplates removing $288,000,000 worth of taxable property from the local tax rolls.

It would be difficult to determine the validity of the cost figures submitted by the State Division of Highways without taking an independent engineering survey, but on the surface these figures are confusing, to say the least. Surely it would not be prudent for the Legislature to base a multi-million dollar tax increase program on cost estimates of such doubtful validity.

The next question deals with the speed with which highways can be built. The nationally recognized experts employed by the Collier committee recommended an interim period between the date of their study and June 30, 1949. During this period it was expected that an orderly program and highway plan would be developed and there would be no deviation from the existing rate of highway construction Beginning on July 1, 1949 they recommended a 10-year program of major highway construction. According to their figures, present revenues for state and local highway purposes would be sufficient to take care of their recommended expenditure program up to June 30, 1949, lacking some $9,000,000.

Using the revenue estimates of the California Major Highway Development Committee, and taking into account the approximate amount available from locally collected taxes, there would be enough money to finance the recommended expenditures of the Collier committee staff up to June 30, 1950. In the four-year period beginning July 1, 1946, the Collier committee experts recommended state and local highway expenditures aggregating $633,000,000. On July 1, 1946 the California Major

Highway Development Committee reported highway cash on hand or due in federal aid the sum of approximately $133,000,000. Add to this their revenue estimates for the ensuing four-year period and we find total funds available from federal and state sources amounting to $595,000,000. But inasmuch as the Collier committee expenditure figures include county roads and city streets, it is necessary to estimate the amount of locally collected taxes. Taking 1945 figures as a basis and allowing a 5 percent annual increase, approximately $73,000,000 would be derived from this source, making total highway revenues under existing law of approximately $668,000,000 in the four-year period ending June 30, 1950. On that date, according to these figures there would still be left unexpended some $35,000,000.

The statement has been made that it is unfair to take just these particular four years, that it would be fairer to take the full program covering the period ending June 30, 1959. From the standpoint of determining the cost of the long-range program and the amount of money needed to finance it, it might be better not to take any particular segment and draw conclusions from it. But our answer is this: The proponents of an immediate increase in highway taxes are urging speedy action by the Legislature. Our position is that the figures of the experts above cited do not call for speed in raising revenues.

Perhaps there is no greater authority on the State's immediate financial outlook than Governor Warren's budget which was submitted to the Legislature on January 29, 1947. In the first paragraph of the Governor's message he states that the document sets forth his recommended expenditures for the ensuing Fiscal Year 1947 and 1948. On page 885, it is observed that as of June 30, 1947 the cash balance in the State Highway Fund will amount to $25,214,651. Then the Governor recommends that from this cash balance and anticipated revenues there be expended $87,030,239 on state highways, of which $68,181,111 will be for state highway construction. This construction program is more than two and a half times the average rate of state highway construction over the past 10 years. And then the budget points out that this can be done and still leave a cash surplus on June 30, 1948 of more than $13,419,430 for state highways only.

Now let us refer to the Governor's budget concerning the amounts available not only for state highways but also aid to counties for roads and aid to cities for major streets. The budget states that on June 30, 1947 the cash on hand in the State Treasury will amount to $53,000,000. Then it states that anticipated highway revenue for the year 1947-48 will aggregate $118,000,000, making $171,000,000 in available highway funds. Out of this the Governor's budget proposes that $138,000,000 be expended in the Fiscal Year 1947-48, which leaves a cash balance of $33,000,000 on June 30, 1948. Thus under the program outlined in the Governor's Budget, highway expenditures can be accelerated more than two times above the average for the past 10 years and still leave a cash balance of $33,000,000 a year from next June 30th. This in our opinion further supports our contention that there is no hurry about rushing through tax legislation in the current special session of the Legislature.

Another factor relating to expenditures which we think deserves your serious consideration deals with construction costs. The Collier

committee's technical staff report contains a chart showing unit construction costs from 1912 to date and a projected estimate into the future as far as 1960. This chart shows that 1947 costs have reached a peak about 74 percent above the prewar level but that by 1948 the index will have dropped to about 45 percent above the prewar level.

Then the decline in costs will be gradual, leveling off at about 28 percent above the prewar level. These cost figures approximate the trend of wholesale commodities prices and other economic factors following every major war. Costs rise during the postwar adjustment period and then there is a long secular trend downward. It is our belief that if the State accelerates its highway construction rapidly, tens of millions of our present highway revenue will be wasted. Moreover, it is unfair to have the State speed up its highway construction in competition with other construction such as that for housing, schools, institutions and other badly needed facilities.

On the assumption that additional highway revenues are to be provided, the next question is where are such revenues to be obtained. Here there are as many answers as there are taxpaying groups. Perhaps it will suffice to point out that the experts of the Collier committee staff recommended that 73 percent of the cost of highways be met out of highway user revenues, 4 percent from federal aid, and 23 percent from other beneficiaries of highways, particularly property owners. At first the Collier committee was disposed to accept this formula, but opposition developed from local spending agencies and the idea was abandoned. Yet it stands to reason that there are many roads and streets which merely supply access to property and are of no particular concern to the motoring public. It also stands to reason that downtown merchants and others profit through the construction of highways bringing customers to their doors. Thus the question must be raised as to how much of the bill should be paid by the general taxpayer. Is it not possible to consider the economic prosperity that is brought to the general taxpayer through the existence of an adequate highway system? Would it not be in order for the State's General Fund to be drawn upon to meet part of the additional cost, if the need is deemed to exist?

Finally, there remains the question of how any additional highway revenue which may be raised is to be allocated. Some groups are concerned only with providing additional funds for state highways, while others are more particularly concerned with county roads or city streets. It is not logical to increase highway taxes and then decide who is going to get the money. Before taxes are raised let it be known just how the money is to be apportioned and whether the spending agencies concerned really need the additional funds or are merely taking advantage of an opportunity to obtain additional revenue.

In addition to the above questions which we have raised and which we hope will induce your committee to demand more information before passing final judgment on this important subject, there are a number of items dealing with the general question of the gasoline tax which we wish to call to your attention.

First, it has been stated that California's 3-cent gasoline tax is among the lowest in the Nation and from this it might be inferred that the rate should be increased merely because the rate is higher in other states. In answer to this, may we say that there are nine states with a

3-cent rate or less, and these states, including California, embrace roughly 30 percent of the motoring public in this Country. Moreover, many states which have higher gasoline tax rates than California divert a part of this revenue to nonhighway purposes, which California does not. If the California rate went to 5 cents as is proposed in Senate Bill No. 5, our motorists would pay a greater rate than does 76 percent of the motoring public in this Country.

Second, we would like to comment on the argument advanced by several that the proposed increase in highway taxation would amount to but 25 cents a week, or $1.50 a month, or $13 a year, or $18 a year. A $50,000,000 warship costs but 30 cents per capita, the $3,000,000 annual budget of the California State Department of Public Health costs but 30 cents per capita, the $17,000,000 annual budget of the University of California costs the average citizen but 15 cents a month. And yet when all these so-called little items are added together, they make an average tax bill on each California citizen of over $450 a year. Each extra dollar taken needlessly from the taxpayers means much to a lot of people, and it is deceptive to use the 25-cent a week idea as an argument in support of an $86,000,000 tax increase which is a 17 percent increase in total tax collections. We believe that the motoring public, most of whom are just humble citizens with limited means, should be protected against any unnecessary inroads on their pocketbooks in the face of a rising cost of living.

In conclusion, may we state that in our opinion no evidence has been submitted to the Legislature calling for haste in increasing highway taxes. Using figures contained in the Collier committee's staff reports, there is enough money to carry out recommended expenditures for nearly two and a half years Using figures contained in Governor Warren's Budget, there will be enough money to carry out a greatly accelerated program this year and next year and still leave a considerable surplus on June 30, 1948. The Legislature can still consider the question of increased highway taxation in the regular session which still has two months or more to go. It can still consider the matter in the 1948 Regular Session before highway cash-in-hand becomes an issue. In the meantime, we urge that your committee obtain satisfactory answers to the following questions before any arbitrary increase in the gasoline tax receives your approval:

First How much money is now on hand and available for highway purposes?

Second. How much highway revenue can reasonably be expected in the next few years?

Third. How much money is actually needed to bring our state and local highway system up to adequate standards?

Fourth. How rapidly can funds now on hand or currently receivable be efficiently and economically spent, so as to do the job and still get full value for the money so expended?

Fifth In the event additional funds are needed, how is the burden to be spread over the beneficiaries of our highway system?

Sixth. In the event additional funds are to be raised, how is the money to be allocated among the various spending agencies?

That, gentlemen, concludes our formal presentation. I have with me Mr. John Pearce, who is our economist and statistician. We are prepared to answer any question based on our presentation, or any others.

CHAIRMAN HOLLIBAUGH: Any member of the committee wish to ask Mr. Gilman any questions?

ASSEMBLYMAN EVANS: Mr. Chairman, may I ask the witness a few questions?

CHAIRMAN HOLLIBAUGH: Mr. Evans.

ASSEMBLYMAN EVANS: Thank you, Mr. Chairman. Mr. Gilman, you are with the Western Oil and Gas Association, is that right?

MR. GILMAN: That is correct.

ASSEMBLYMAN EVANS: What is your position with that company or association?

MR. GILMAN: I am executive vice president.

ASSEMBLYMAN EVANS: Now, there have been, in all fairness to take both sides of the thing and present it to the committee, there have been some statements thrown around to the effect that you were here to stop anything here with reference to this highway program and the activities of certain organizations, and during the interrogation of a witness the other day, while your name was mentioned, and it has been mentioned in the newspapers. Do you know a Highway Commissioner named Warlow?

MR. GILMAN: Only by name, I don't know him personally.

ASSEMBLYMAN EVANS: Well, he testified—he said he knew you by reputation. I don't know.

Do you know that Mr. Warlow released in the—stated there from the reporter—let me change the question anyway.

Were you up here in January lobbying this bill?

MR. GILMAN: I was up here in January at the request of the Transportation Committee of the Senate one day, and after presenting my remarks, I returned. I have not been lobbying on any bill.

ASSEMBLYMAN EVANS: Did you know that there was released by a member of the Highway Commission, in which you are accused of heading a group of lobbyists that swarmed the Capitol in an attempt to defeat the legislation? I will stipulate that it is vast and complicated, but do you know that you were so accused in the *Fresno Bee?*

MR. GILMAN: Yes, Mr. Evans, I do.

ASSEMBLYMAN EVANS: Do you also know that you were further accused of sending to service organizations, such as the American Legion and AmVets and others, misinformation on the highway program, and asking them to put pressure on to defeat this bill?

MR. GILMAN: Mr. Evans, I do know that local releases were made, But where Mr. Warlow got his information, I don't know, but he was misinformed. The Western Oil and Gas Association has not approached any organization to support its program, either by solicitation or indirect. We have not attempted to interfere with anybody elses convictions.

ASSEMBLYMAN EVANS: Now, one more question—do you know Mr. Richard Graves of the League of Municipalities?

MR. GILMAN: I have met him and heard him here yesterday.

ASSEMBLYMAN EVANS: Did you discuss this bill with him?

MR. GILMAN: No sir.

ASSEMBLYMAN EVANS: You didn't, or any of the county projects? Of course I define a lobbyist as any person that is lobbying or asking

for support or defeat of a bill. Did you ever talk to any of the county lobbyists and ask them what their position might be or what your feelings might be, or didn't you?

MR. GILMAN: No sir. I do not know who the county lobbyists are. If I talked to them I did not know they were lobbyists.

ASSEMBLYMAN EVANS: Mr. Gilman, I would like to ask you if your organization has ever projected a curve estimate of gasoline used, and if you did, when and where was it issued?

MR. GILMAN: Have they, Mr. Pearce—oh, we mapped one before the Collier committee.

ASSEMBLYMAN EVANS: Is that your estimate of the year 1946? (Directed to Mr. Pearce.)

MR. GILMAN: Mr. Pearce made those projections. I would like to have him answer them.

ASSEMBLYMAN EVANS: That is all right then, and thank you for your courtesy, Mr. Chairman?

MR. JOHN PEARCE: Do you want that last question answered? (Directed to Assemblyman Evans.)

ASSEMBLYMAN EVANS: Well, Mr. Chairman, in order to keep the committee running smoothly, I thought that when Mr. Gilman had finished, I would ask Mr. Pearce to answer those questions. I didn't mean to just cut you off. I will do it at that time. Thank you.

ASSEMBLYMAN KNIGHT: Mr. Chairman?

CHAIRMAN HOLLIBAUGH: Assemblyman Knight.

ASSEMBLYMAN KNIGHT: In your introductory remarks you expressed some surprise that the returns that you received on a postcard sent out by our organization, and as a former advertising man, may I ask you what percentage do you normally expect in the way of return per thousand on such inquiries as that?

MR. GILMAN: Well, around 10 per cent would be quite a large return on any projection of that character. I might also say that, Mr. Knight, that we did not circularize all of the whole registered list; ours involved only a percentage of each county in the State.

ASSEMBLYMAN KNIGHT: And what percentage did you get as reflecting public opinion and return on this circularization, that is, if you know?

MR. GILMAN: I have no knowledge of that because we did not receive them. We didn't receive any in our office. The people we sent them to forwarded them to you for the legislators involved.

ASSEMBLYMAN KNIGHT: You have no estimate then, as to whether you received 5 or 10 percent?

MR. GILMAN: No, I haven't. I don't know that since I have been up here. I understand that it was stated here yesterday that there were thousands of them still undistributed. I know that many of them have been received and judging from the number reached, it was a very high percentage of return.

ASSEMBLYMAN KNIGHT: Thank you very much.

CHAIRMAN HOLLIBAUGH: Mr. Waters, just a moment. Mr. Dills?

ASSEMBLYMAN CLAYTON DILLS: I don't have a question, but as long as the card subject came up, I would like to give my impression on the cards.

I suppose I have received three or four hundred of these cards and to me it did me a lot of good in making up my mind, or will, by the time I receive the other cards, and they are still coming in, because I am elected by the people in my district and I never know how they feel unless I should get a card of this type. I feel that by sending these cards out, I know how my people feel, and on $1,200 a year, I can't afford to have the cards sent out, and I might add that all the cards I have received, they are 100 percent against the bill. I would like to make that statement, and now I believe that the press has covered this hearing for the past 10 days, and they have very well put into the papers the facts of the program, and I also feel that if these same people that read these facts, and they feel that they would like to change their mind, they have had ample time to do that, and I would be willing to receive their cards in the same way if they are against the program.

CHAIRMAN HOLLIBAUGH: Now, Mr. Waters.

ASSEMBLYMAN WATERS: Mr. Gilman, in regard to the method employed by Western Oil and Gas in distributing these cards, did you concentrate on some districts or places heavier than on others?

MR. GILMAN: No, we followed a definite plan, Mr Waters. I might tell you—I can tell you exactly the formula: We sent it to 25 percent of the registered automobile owners, private owners, in San Francisco, Los Angeles, and Alameda Counties, and all the other lesser populated counties we sent it to half the registered owners. Now, there are about 1,900,000 registered private owners in the state list We had no control to whom they went. We turned it over to a firm which undertakes that sort of a project, and they sent them out without any control of where they went or to whom they went on our part beyond that.

ASSEMBLYMAN WATERS: The reason I asked that particular question was that between my district and one that is adjacent to it, I believe the standard of income and the type of persons living in the two districts is quite similar, and yet the returns in my section were only some 700, and whereas in the next district there were only 150 cards received. I wonder if there is any reason for that?

MR. GILMAN: I would not be able to answer that directly I can only say that they were distributed to the counties selected as a good cross-section, with no respect for assembly districts, as they were not indicated in selection That is the only explanation that I know for it.

ASSEMBLYMAN WATERS: I have in my hand a copy of the circular which accompanied the mailing of these cards, that was put out by the Western Oil and Gas, and there are two references in this circular which state, on No. 2, under Governor Warren's Budget for the Fiscal Year 1947-48, expenditures during the period, repair, new routes included, projected superhighways, and then under the Collier Committee Report breakdown, item three, I state again, expenditures included during this period, repair, new roads, and including projected superhighways.

Now, is it the position of the Western Oil and Gas that the new superhighways or freeways can be built out of the fund now available?

MR. GILMAN: Yes, in fact, they are being built at the present time.

ASSEMBLYMAN WATERS: Now, is that limited wholly to four-year periods under which the Kennedy program recommended additional expenditures?

MR. GILMAN: I don't understand the question.

ASSEMBLYMAN WATERS: I believe the Kennedy program recommended a four-year initial period, and from that point would run into a 10-year period.

MR. GILMAN: That is right.

ASSEMBLYMAN WATERS: Did your figure refer solely to the four-year program?

MR. GILMAN: Yes, that is right.

ASSEMBLYMAN WATERS: But under the available materials and other factors to be considered, it is the position of the Western Oil and Gas that the new freeways or superhighways can be built from available funds?

MR. GILMAN: That is right.

ASSEMBLYMAN WATERS: Thank you. That is all, I believe, Mr. Chairman.

CHAIRMAN HOLLIBAUGH: Assemblyman Huyck.

ASSEMBLYMAN HUYCK: I would like to make a few comments on this card situation before we leave that subject. I will have to admit that they were approximately 98 percent against the highway program. However, on several of them that I received, and I understand it was typical of those received by other members, the voter cast his ballot in favor of the Highway Program, saying in effect, the Western Gas and Oil Association did not solicit it. They made the recent 1½-cent increase in gas, and now the matter has been discussed among the members and newspapers and by our people at home, and I do not recall in your remarks that you touched upon the subject, and if it is not inappropriate, I would like an expression as to why the recent increase was made in gasoline.

MR. GILMAN: Mr. Huyck, I will answer that to the best of my ability. We are strictly in the business of distribution of oil products under the law, but, however, the gasoline or petroleum products had no price increase during the war They were fixed by OPA.

This industry, like all other industries, underwent very definite increased cost in operation and labor and cost of raw materials, and that is why prices were increased—to meet these increasing costs. I understand today that in an eastern field, the price of crude oil was advanced as much as 25 cents, and I don't think those increases were made for any other reason than I think rising costs compel rising prices. Gasoline is still the lowest commodity on the commodity index. I believe that nationally the average is about 75. Only one other was lower, and that is chemical products—all other things are up to as high as one-fifty or one-sixty, but it was done to meet economic conditions and had no relation to anything else

ASSEMBLYMAN HUYCK: The accusation has been made that it is possible that the reason you are against the increase in gas taxes is that it might meet bad public reaction should you again in the future decide to increase gasoline prices.

MR. GILMAN: I don't think that the oil industry has any desire to increase the price of its products—in fact, we increased it—we increase the competitive factor, and competition is still keen in the oil industry, and they have no desire to increase their prices, and the opposition to this program has no bearing whatever on the selling price of the products.

ASSEMBLYMAN HUYCK: Has the Western Oil and Gas Association made any consideration at all of the proposal made by the State Chamber of Commerce—State of California Chamber of Commerce?

MR. GILMAN: Yes, they have.

ASSEMBLYMAN HUYCK: Have you recommendations or conclusions on that?

MR. GILMAN: I still feel that their position in that is one contrary to ours, stepping up production at a time when it is going to result in increased costs for houses and other projects which require similar materials.

ASSEMBLYMAN HUYCK: Thank you.

CHAIRMAN HOLLIBAUGH: Mr. Heisinger.

ASSEMBLYMAN HEISINGER: Mr. Gilman, coming to the point that you made about sending the cards out in certain letters, with the circular along with the card. What kind of a postage did you use, first-class or second-class?

MR. GILMAN: Second-class.

ASSEMBLYMAN HEISINGER: What percentage of the voters or registered drivers in my county—Fresno County—received those circulars?

MR. GILMAN: Fifty percent.

ASSEMBLYMAN HEISINGER: Fifty percent?

MR. GILMAN: Yes sir.

ASSEMBLYMAN HEISINGER: You mentioned a while ago that the cost was nominal Now, I have had a little experience in advertising by mail, because my last campaign was conducted that way, and while we only used the one-cent postage card, asking for no return, yet it went into a lot of money, in fact, too much money, as I understand, my committee spent for that purpose.

Now, coming to question two here, this man that sent this to me, Mr. Matlock, from Clovis, told me that he didn't want any more gasoline tax imposed unless he knew how, where and when this money would be spent.

I am wondering if you really think that is a fair question to put to a man to answer?

MR. GILMAN: I would want it if I were a legislator.

ASSEMBLYMAN HEISINGER: Pardon me?

MR. GILMAN: I would like to have it asked of me if I were a legislator.

ASSEMBLYMAN HEISINGER: Well, do you know of anybody in California that knew exactly how much money would be required in any project until a contract is finally made?

MR. GILMAN: Not until the contract is made, and the proper engineer surveys of the project made a reasonable estimate.

ASSEMBLYMAN HEISINGER: Well then, and of course the money from this fund would all go into a pot—that is, into the General Fund? Could you conceive how that any person, even in the department, could know how and when and where this particular man's money should be spent?

MR. GILMAN: I think so, yes. I think it can be answered in general terms, Mr. Heisinger.

ASSEMBLYMAN HEISINGER: Answered generally. Another question: Some men have a budget with a wife—they give the wife so much money a month out of his earnings, that is, they have a tacit understanding

between them as to how much they should pay for groceries and upkeep of the house Do you know of a housewife anywhere in California that could divide her budget and know just how much each—just where each dollar should go—

MR. GILMAN: I don't know that I should answer that—it might be reported to my wife here.

ASSEMBLYMAN HEISINGER: Coming to my own business. I am in the turkey business, and my son and I usually have a pot of ten thousand or more that we throw into the pot first and then we borrow the rest, we have to make up a budget to the credit associations, and our experience is that if we come—after our own money was in—if we came within 10 or 15 percent of the amount of money that would be spent on any one department, say for food, or proteins, or greens, or a lot of things that go into the feeding of turkeys, that if we come within 10 or 15 percent, why the association thought we were very fortunate in estimating our expenses that close, and yet you have put the question to this Mr. Matlock and he said to me that he doesn't want me to vote for this program, unless he knows in advance how, where, and when the money is to be expended.

MR. GILMAN: Mr. Heisinger, the Legislature could give him an answer—if the Legislature could give him an answer within 10 percent correct, he would get a better answer than any now.

ASSEMBLYMAN HEISINGER: I think that probably your mind and mine doesn't agree on these things because I just can't conceive a long-range program, even four years, which you mention, or 10 years, or any other time, whereby anyone in California could tell definitely in which department and which road the money would be spent, in the hope we may come within millions of it. I hope we can reach a program that comes within millions of dollars of it, but in many years of experience in the Legislature, I have found that sometimes we miss our mark by a great amount.

Another thing, Mr. Gilman, it has been the policy of the oil companies all the history of our California Legislature to oppose all taxes increase in gasoline

MR. GILMAN: I think there was a time when that was true.

ASSEMBLYMAN HEISINGER: This was not just one case, you have opposed it all the time?

MR. GILMAN: No.

ASSEMBLYMAN HEISINGER: I don't remember of the oil companies being in favor of a gasoline increase in taxes of any kind at any time.

CHAIRMAN HOLLIBAUGH: Mr. Kirkwood.

ASSEMBLYMAN KIRKWOOD: Mr. Gilman, I would just like to clear up a few questions in my own mind This may not be anything that is of general use to any other members of the committee—this investigation of the Collier committee as a joint fact-finding committee, divided into the two houses of the Legislature, and this proposition of their investigations. Am I right, were you a member of the advisory group to that committee?

MR. GILMAN: I was, Mr. Kirkwood.

ASSEMBLYMAN KIRKWOOD: Did you feel that your views were pretty well presented before the Collier committee?

MR. GILMAN: They were.

ASSEMBLYMAN KIRKWOOD: Are you in agreement with the staff reports of the Collier committee, are you generally in agreement with them?

MR. GILMAN: In general I am, yes.

ASSEMBLYMAN KIRKWOOD: Including the Kennedy Report?

MR. GILMAN: Yes, we have been accused, sir, of taking only those things that we like. I think we had an excellent report insofar as the Collier committee took the report, and they took out of the Kennedy Report—they took only the $2,800,000,000 program, then abandoned all together some of the recommendations of the Lindman Report. I feel that the Collier committee investigations brought forth some very interesting facts and basis upon which a good highway program can be constructed.

ASSEMBLYMAN KIRKWOOD: But you are in disagreement and what has happened then is that the Collier committee has made its own report, and not the way this report is filed?

MR. GILMAN: It appears to me that the Collier committee has completely done away with the findings of the committees, and has gotten a new program. I don't think the Collier committee had to go around the highways to find out what highways are needed, and we accompanied them on so many of these trips when we could. We supplied information wherever it was required, and we participated in their discussions, and I feel that they did an excellent service to the State. I must say I am somewhat disappointed in the result.

ASSEMBLYMAN KIRKWOOD: I was trying to figure out where the difference in the opinion would come up. Right now there is a pretty general agreement on all parties.

MR. GILMAN: That is right.

ASSEMBLYMAN KIRKWOOD: It is just on the financing problem?

MR. GILMAN: The projection.

ASSEMBLYMAN KIRKWOOD: That we are beginning to fall apart—

MR. GILMAN: That is right.

ASSEMBLYMAN KIRKWOOD: —in the Legislature, which has resulted?

MR. GILMAN: I don't think the Legislature adhered to the findings of their own experts.

ASSEMBLYMAN KIRKWOOD: Well, it has broken down in some respects. Now, let's go into the allocation—I think you brought it up in your remarks—the cost that should be borne by highway users, taxpayers, and the cost that should be borne by property taxation and other forms.

MR. GILMAN: Yes sir.

ASSEMBLYMAN KIRKWOOD: How far away have they gotten?

MR. GILMAN: Well, the Lindman Report—may I say, sir, that two years ago, I appeared before the Senate committee in connection with the highway bill at that time. I brought up the principle that there had not been any study made whatsoever of responsibilty and beneficiaries of highways.

We had in our office a very exhaustive study, made in various states. The result of that study showed that there was a highway user's responsibility. I believe that Mr Eastman, in charge of certain departments of the Federal Government, also made an exhaustive report which was very largely in agreement with ours. I feel that the program as projected

has not shown sufficient analysis of the reports as they were mapped out. I advocated that the Legislature establish a fact-finding committee, and I will say, Mr Collier will verify, that I had correspondence with him about it in which correspondence it was discussed that he make a sufficiently thorough study, and to bring in outside help to do it, and get the recommendations of their experts, so that it wouldn't be expressly limited within our own areas We advocated it, supported it, and participated in it, but in the end, I do not think that they have adhered to their own findings I think they have very definitely deviated toward a program that is unwise and very extravagant, and will lead to the expenditure of tens of millions of dollars without adequate return.

ASSEMBLYMAN KIRKWOOD: Well, on the specific question of allocation of any highway program, how could such a thing be incorporated in the legislative bills so as to throw back part of the cost to the counties and cities?

MR. GILMAN: I realize that is a difficult problem, yet, there it is. In the State of New York, for instance, the assessed valuation in Westchester County has increased by some 800 percent since the freeways were built. In other areas the evaluation of taxable property has increased materially Obviously the property owner in that area benefited from it We could use assessments, which could be based for road purposes, that is a very difficult thing to decide. It could come from the General Fund, but certainly the highway user is not the only beneficiary and when we come and say that the highways are built for the motorist, we are forgetting that highways originated as a source of communication.

ASSEMBLYMAN KIRKWOOD: Well, your group would be opposed to any program which did not, or any bill which did not incorporate within its confines some specific allocation of the costs of the program contemplated, as between property taxation and highway user taxation?

MR. GILMAN: No, Mr Kirkwood, I wouldn't say that I would oppose any program, because to begin with we are definitely committed to the policy of building highways. To say otherwise would be ridiculous in this State, but we say that should be recognized in considering the bill

ASSEMBLYMAN KIRKWOOD: May I ask—is Mr Pearce going to make some more detailed analysis? Is he going to reply to questions?

MR. GILMAN: He is going to reply to questions.

ASSEMBLYMAN KIRKWOOD: Well, to me, it looks like we should have a deeper analysis of that. Mr. Chairman, probably when I finish, Mr Pearce could respond to that.

CHAIRMAN HOLLIBAUGH: I think we should take a 10-minute recess now. There is no objection? (No objection voiced) All right, then, we will take a recess for 10 minutes.

(Thereupon a recess was taken for 10 minutes).

CHAIRMAN HOLLIBAUGH: The meeting will come to order. Mr. Cooke, you were next.

ASSEMBLYMAN COOKE: Mr. Gilman, you made a statement and I wanted to get it right—about a certain amount in bonds—what was that figure?

MR. GILMAN: You mean—

ASSEMBLYMAN COOKE: I want the money on hand—you say there was so much money on hand.

MR. GILMAN Prior to the first of the year the State Division of Highways had $60,000,000 invested in government bonds.

ASSEMBLYMAN COOKE: And they still have those bonds?

MR. GILMAN: I think the amount has been reduced.

ASSEMBLYMAN COOKE: It has been reduced?

MR. GILMAN: I think it was $50,000,000 the last I heard.

ASSEMBLYMAN COOKE: That is all.

CHAIRMAN HOLLIBAUGH. Mr. Stewart is next, if I am not mistaken

ASSEMBLYMAN STEWART: Mr. Gilman, I was called to the telephone while you were testifying in regard to the number of these cards that you sent out, and I would like to ask you a few questions about it. This, well, we will say, this county; how many of these cards did you send?

MR. GILMAN: I can't give you the exact number, Mr. Stewart.

ASSEMBLYMAN STEWART: Approximately.

MR. GILMAN: Well, approximately 25 percent of the private automobile registered owners.

ASSEMBLYMAN STEWART: Is—I see, 25 percent. You took the list and if there were 100 you mailed a card to 25?

MR. GILMAN: That is right.

ASSEMBLYMAN STEWART: Irrespective of who they were?

MR. GILMAN: That is right.

ASSEMBLYMAN STEWART: And you mailed this in an envelope as first-class mail?

MR GILMAN: No, we mailed as second-class.

ASSEMBLYMAN STEWART: Well, Mr. Gilman, I don't mean—actually I am very much interested, and I have read newspapers, how much money did this cost?

MR. GILMAN: We don't mind telling you at all. We do not have our final figures, but our estimate of cost of this mailing was $23,000.

ASSEMBLYMAN STEWART: Twenty-three thousand dollars, and that embraced the State of California?

MR. GILMAN: Not the whole State

ASSEMBLYMAN STEWART: In other words, the campaign cost you * * *

MR. GILMAN: The postcard campaign, to our knowledge, our original estimate is $23,000. I haven't had any bill on it and I am only talking about its approximate estimate.

ASSEMBLYMAN STEWART: That is all right, I am just trying to get this across, Mr. Gilman. Has your association any idea as to whether the State of California needs any increase in its highway appropriations other than that you have referred to, other than that we can finance out of the General Fund, and we think we know what they have. You think your position is that you should—we should not engage in any program other than with the money that is now on hand by pre existing taxes and its present allocation?

MR. GILMAN: No sir, the Governor's budget, which I presume was prepared by the State Division of Highways, indicated a highway construction program which steps up the normal procedure of construction about two and a half times. I see no reason why that should be in any manner modified.

ASSEMBLYMAN STEWART: And the presumption is that the money to do that is there, there was money to do that from what money there

was in the Treasury, and the 3 cent gasoline tax collected now would add to it and that would be enough to maintain adequate state highways as they should be?

MR. GILMAN: Mr. Stewart, I think the Governor's budget so indicates. if I read the budget correctly.

CHAIRMAN HOLLIBAUGH: Just a moment, Mr. Evans, Mr. Stanley is next.

ASSEMBLYMAN STANLEY: Mr. Gilman?

MR. GILMAN: Yes?

ASSEMBLYMAN STANLEY: I am one of the new Assemblymen up here and I spend most of my time listening rather than talking, but I did want to ask you a question. If you were in my position, or the position of anyone of these Assemblymen you have up here, and you received three or four hundred cards with the action marked, after the, "I am against increases in the gasoline taxes," would you presume by receiving this card that your constituent was opposed to an adequate and modern highway system in California?

MR. GILMAN: Never, I would not. I don't know of any intelligent man that is opposed, I think your constituent is still for it.

ASSEMBLYMAN STANLEY: In this card then—does it not indicate the feelings as to how the people of the State of California feel toward adequate highways?

MR. GILMAN: I don't think it does. I think a different type of survey if it were necessary. I personally don't feel it would be.

ASSEMBLYMAN STANLEY: I don't know anything, it just pertains to a gasoline tax increase, as one of our Assemblymen stated in this hearing today, that it means so many times we cannot know how the constituent feels in the district—in other words, I think they may be getting the wrong impression by your cards.

CHAIRMAN HOLLIBAUGH: Mr. Grunsky.

ASSEMBLYMAN GRUNSKY: Thank you, Mr. Chairman. I believe Assemblyman Stanley has touched briefly on what I wanted to ask you, Mr. Gilman, and again referring to the cards that have assumed importance here, making it a mandate from his constituent, when he receives this card, therefore I don't think we are dwelling unduly upon the cards in that respect. I will ask you whether or not you consider the Collier Committee Report and the bill, as it now is before the Senate, is answering the question as to how, where, and when the money is being expended?

MR GILMAN: No I do not.

ASSEMBLYMAN GRUNSKY: You say that without qualification?

MR. GILMAN: That is right.

ASSEMBLYMAN GRUNSKY: Now, with regard to the first question on the postcard, "I am against increasing the state gasoline taxes." You have yourself stated that you are unqualifiedly in favor of a highway program such as is encompassed in portions of the Collier program if those provisions were in the bill?

MR. GILMAN: That is correct.

ASSEMBLYMAN GRUNSKY: Along with this postcard went a statistical pamphlet on the financing, is that correct?

MR GILMAN: That is correct.

ASSEMBLYMAN GRUNSKY: It agrees?

MR. GILMAN: It agrees with the amounts I gave you in my prepared statement.

ASSEMBLYMAN GRUNSKY: And you were instrumental in the preparation of this card, were you not?

MR. GILMAN: I was largely so. It was developed by a committee, not me alone.

ASSEMBLYMAN GRUNSKY: Yes, now, with regard to the information contained in the pamphlet, which corroborated what you have said here today. In your mind, is it possible for any logical, reasonable man, assuming those figures to be correct, to give any other answer than that he is against increasing the state gasoline tax now?

MR. GILMAN: Well, set in parallel in that statement with many statements—on the air and in the press, many editorials supported the highway program, so I am assuming the voter—if he is an intelligent man, knows.

ASSEMBLYMAN GRUNSKY: No sir, that is not my question—my question is: Assuming that he—well, we will give you the benefit of the qualifications you are making—assuming on the basis of your facts, that your statement is absolutely correct, is it possible for an honest, able man to answer in any way but that he is against the gasoline tax?

MR. GILMAN: That might be. I don't assume they were unreasonable, because they are for it.

ASSEMBLYMAN GRUNSKY: I hope I am. I hope I can make up my mind. These postcards were sent out with a leaflet which, upon reading, allows only one answer, and therefore I submit that there is only one answer that could be gotten from these cards, if they assume this information is correct.

MR. GILMAN: If they agreed with our conclusions in the leaflet, there would be one answer.

ASSEMBLYMAN GRUNSKY: And that was the answer to the first question, against the increase in the state gas tax?

MR. GILMAN: That is correct.

ASSEMBLYMAN GRUNSKY: Is it not also correct that there is, at the present time, a conflict in testimony and statistics as to just how much money is available?

MR. GILMAN: Yes.

ASSEMBLYMAN GRUNSKY: And don't you feel that it is one of the duties of the Legislature to resolve those facts into a finding?

MR. GILMAN: That is what I said in my final question, if you remember.

ASSEMBLYMAN GRUNSKY: Then isn't it premature for the voter who has no benefit from these hearings, to arrive at a sound conclusion in this matter?

MR. GILMAN: I think, sir, that the voter can help the legislator resolve, if he is interested. It will be available to both them and the State.

ASSEMBLYMAN GRUNSKY: Well, in any event then, if the Legislature in the course of its deliberations, find the statistics and information to be that additional moneys are needed—tax money—to finance the program, by the same logic which you have conceived here, it would be necessary for there to be an increase in the state gasoline taxes,

which would meet with your approval, would it not, in that you favor a good, sound highway program?

MR. GILMAN: If those conclusions were logical, if you think we have agreed.

ASSEMBLYMAN GRUNSKY: We wouldn't be here today if it was a foregone conclusion that your figures are correct, but you will concede that if it were founded on a sound plan, and you also agree with the logic and admit that a gasoline tax increase was in order?

MR. GILMAN: We will support any sound conclusion arrived at by the Legislature, if we feel that was through sound consideration of the facts.

ASSEMBLYMAN GRUNSKY: Now, you believe only in the figures which you have presented here today?

MR. GILMAN: Not necessarily, not necessarily. I have repeated in this statement that it indicates these disagreements should be resolved, that we should know what the answers are to this highway plan and this heavy amount of money, and how much is going to be needed. We do not think that you have, or that anybody has, placed before you enough information to make any hasty decision.

ASSEMBLYMAN GRUNSKY: And if after our deliberations it is proved that more money is needed, and the conclusions which we together arrive at here, is that higher taxes would be in order, but you don't believe it would be necessary, but it may be proven to you, and you would then be in favor of an increased tax to enable us to build a highway program along the program of the Collier committee, exclusive of the present revenue?

MR. GILMAN: If the facts brought out in the proposition were equitable and all other beneficiaries were considered.

ASSEMBLYMAN GRUNSKY: Thank you, and it is an open question now, is it not?

MR. GILMAN: Yes, yes, I think so.

CHAIRMAN HOLLIBAUGH: Mr. Ralph Dills.

ASSEMBLYMAN RALPH DILLS: Mr. Gilman, on earlier, I believe it was in February, I wrote Senator Collier a letter requesting certain information on the highway program, and he answered me in a long letter which he had printed in the Senate Journal of March 3, 1947, and took 15 pages in answering the questions, which is his privilege, and in this letter he accuses the organization which you represent, and Governor Warren, if we may believe the press, has similarly made accusations that your association is issuing statements that were absolutely false. Now, let's take an example, a statement from page 8 of this long letter which he has written to me. May I read to you, and I'd like to have you, if you care to, to make any explanation or any answer to these things which he herein states, quoting from the letter, "Mr. Vandegrift correctly pointed out in one of his letters that the Kennedy Report did not include accelerated expenditures prior to the 1949-1950 Fiscal Year, but the Western Oil and Gas Association in its advertisement stated 'expenditures during this period, repairs, new roads, and including the projected state superhighways, will cost an estimated $633,000,000' " Parenthetically, I assume that he means this insert that you sent to the people of the State "It has misled the people into believing that the four year's data on which it based the estimate comprised the accelerated program

recommended by the Legislature's Joint Fact-Finding Committee on Highways, Streets, and Bridges. This is absolutely false. Actually the association has taken three years of normal expenditures and only one year of the accelerated program. It has also taken unreasonably high estimated revenue, juggled balances available, and misstated recommended expenditures even for the Kennedy interim period program, which the committee rejected. By misrepresentation and false and misleading statements, they have attempted to show that we have enough money to bring our road plant up to an acceptable standard. By their own misleading figures we are fifty-two million short of completing the program which they selected out of our engineering report." End of quote. As Mr. Grunsky and others have stated, to try to develop the facts of this situation in view of these accusations which were given as the representation of your association, would you care to answer that accusation at this time?

MR. GILMAN: Yes sir. We have never said anything about an accelerated program. However, we have accepted both the Governor's Report and the Kennedy Report, which I believe was based upon figures given by the Division of Highways, but that accelerated program does not contemplate the necessary accelerated program to develop either the final critical deficiencies presented by the Division of Highways, or the final program developed by the Kennedy Report, but it does include acceleration by comparison with past years.

Now, so far as the misrepresentation of figures is concerned, I have analyzed those rather fully in my prepared statement.

ASSEMBLYMAN RALPH DILLS: Well now, in your prepared statement, you probably touched on this, but I notice in this—whatever you call it?

MR GILMAN: Circular.

ASSEMBLYMAN RALPH DILLS: —circular, that you apparently sent out in eliciting the card which we are receiving in my district in considerable quantities, that you have stated that all major improvements in California highways in the next four years, including the next fiscal year, could be financed out of available revenues, and still leave a surplus in the Treasury. Now, do you mean the next four years—47, 48, 49, and 50?

MR. GILMAN: Yes, I think that included the period as expressed before the Collier committee in the Kennedy Report. It carries in through 1950.

ASSEMBLYMAN RALPH DILLS: Carries it up to July, 1950?

MR GILMAN: I think that is correct.

ASSEMBLYMAN RALPH DILLS: That is the Fiscal Year 1947—1947 Fiscal Year, 48, 49—but that would be three years, wouldn't it?

MR. GILMAN. Well, the original report as it was made, was based on a four year's estimate, and if any error is in there, we contemplated it ahead, rather than the exact calendar year, but he contemplated a program beyond 1950

ASSEMBLYMAN RALPH DILLS: What you were asserting in this circular is that there are sufficient moneys, in fact, that there would be sufficient money and still leave a surplus of $35,000,000 after building the program recommended by the Kennedy Report:

MR. GILMAN: I don't see where you arrive at that, Mr. Dills. We have set forth here Governor Warren's figure as to revenue estimates.

ASSEMBLYMAN RALPH DILLS: You say from that budget—that big budget?

MR. GILMAN: Yes, yes.

ASSEMBLYMAN RALPH DILLS: That is—call it something else. Let us call it something else—budget report, we will call it that for want of a better word. In that budget report you say that Governor Warren says there are $171,214,000 for highway construction for 1947-48?

MR. GILMAN. On page 885 of that report, Governor Warren shows the State Highway Fund of June 30, 1947, will be $25,214,961. On the county road program there is $9,950,996 It says there will be $7,971,409, and in the postwar employment construction fund of county roads, $13,917,253, and on page 885 he shows funds available for city streets of $5,851,085, making a total highway fund at that time $38,982,961. The over-all total, including the postwar construction, $52,878,914. Now, the estimated revenue, according to the same report on page 885; the gasoline taxes, $13,400,000; motor vehicle fees, $5,588,000. Use fuel tax, $2,444,000; caravan fees, $200,000; interest on investment, $573,500; and federal aid, $23,000,000

Under county roads on pages 995 to 996, the gasoline tax will provide $24,800,000; motor vehicle fees, $5,558,000; federal aid, $6,500,000.

Gasoline taxes available for city streets, $6,200,000, making a total current revenue from new revenues received during the Fiscal Year 1947-48, according to the Governor's budget, of $118,323,500. That added to the $25,214,651 balance of June 30th, makes a grand total of $171,-223,414. There is where we got our figures.

ASSEMBLYMAN RALPH DILLS: And you have followed the statements made by the Governor with respect to the one fiscal year, is that correct?

MR GILMAN: That is right, for that year.

ASSEMBLYMAN RALPH DILLS: Now, how do you arrive at the question of revenues and expenditures for the Fiscal Year 49-50, and beyond?

MR. GILMAN: Well, he shows a cash balance on—now, the proposed expenditures, let me add, during the next fiscal year under the Governor's budget is $87,030,239 for state highways, with counties having $42,863,099, for city streets $8,052,383, leaving a total proposed expenditure of $137,945,921, leaving a carry-over of $33,889,072. Now, according to our estimate the available revenues during the next fiscal year will be in excess of the first fiscal year—the fiscal year of 1948-49—there should be more money available so that the rate of construction, maintenance of county roads and city streets should proceed at the same time. If they did this, there would still be an adequate carry-over balance in the following year

ASSEMBLYMAN RALPH DILLS: I think that as one who has sat here as long as I have, the further he goes in this the more confused he becomes. With respect to how much money we have and how much we are going to raise, and how much money we can or should spend, and as we go deeper in it, we get bogged down with a lot of figures that just do not agree.

Do you think that your organization, in getting this pamphlet may have implied precisely what Mr. Collier accused you of in here that I notice, it states the Collier Committee Report and the revenue estimates of the Major Highway Development Committee. I notice that the

highway funds available on July 1, 1946, total $133,000,000. Now, is that the Collier Report?

MR. GILMAN: Now, that is the revenue estimate of the Major Highway Development Committee.

ASSEMBLYMAN RALPH DILLS. Now, during the next four years, the total highway revenues, including local property taxes, will add $35,000,000 to this total of $68,000,000. That is the Collier Report?

MR. GILMAN: That, the $535,000,000 is included in some of the Collier Report, that is the estimate of revenue by the Major Highway Development Committee, but that report was made to the Collier committee.

ASSEMBLYMAN RALPH DILLS: Up till now, and those two first items, it is an estimate of the Major Highway Development Committee, and not the Collier committee, is that correct?

MR. GILMAN: That is correct.

ASSEMBLYMAN RALPH DILLS: Now, let's try No 3, expenditure for repair and maintenance of state highways, that was estimated at $633,000,000. That is a Collier Committee Report?

MR. GILMAN: No sir, that is the Kennedy Report.

ASSEMBLYMAN RALPH DILLS: From the Kennedy Report?

MR. GILMAN: From the Kennedy Report of the Collier committee.

ASSEMBLYMAN RALPH DILLS: So far we haven't had the Collier Committee Report right on any of those, have we?

MR GILMAN: We had No. 1 and 2 out of the Collier Committee Report, yes.

ASSEMBLYMAN RALPH DILLS: Well, I thought you gave them from some place else?

MR. GILMAN: Well, they are included in the Collier Committee Report or the Kennedy Report to the Senate, or for the Legislature, which is contained in the publication of the Legislature, contained those reports and those figures.

ASSEMBLYMAN RALPH DILLS: Well, yes, no doubt they do, because they included all of the recommendation of all the bodies, don't they?

MR. GILMAN: That is right.

ASSEMBLYMAN RALPH DILLS: But it isn't a recommendation—these figures are not what the Collier Committee agreed upon as being the revenues, are they?

MR. GILMAN: I didn't say they did.

ASSEMBLYMAN RALPH DILLS: Well, all I know is what I read. It says Collier Committee Report in an estimate of the Major Development Committee. What I am trying to do, sir, is to segregate what is yours and what is Major Highway Development Committee amounts, and what is Collier committee estimates.

MR. GILMAN: The report of the Major Highway Development Committee, Mr. Dills, was made to the Collier committee, and included in its report—general report—to the Legislature. We have not said here any of these were recommended. We said they reported, and we agree with the findings of that report of the highway funds available were $133,000,000 and that is according to the information of which we were notified of the state funds available.

ASSEMBLYMAN RALPH DILLS: But the Collier Committee have six, ten men, or eight men, who said they do not agree with the hundred and thirty-three million of highway funds available.

MR. GILMAN: No, they do agree with that.

ASSEMBLYMAN RALPH DILLS: All right, so far we have gotten something agreed on. Now, during the next four years total revenue—and you stated that is an estimate of the Major Highway Development Committee?

MR. GILMAN: That is correct.

ASSEMBLYMAN RALPH DILLS: Is that a state body?

MR. GILMAN: No.

ASSEMBLYMAN RALPH DILLS: What is that?

MR. GILMAN: The Major Highway Development Committee is composed of 22 civic bodies, a subcommittee of which was appointed to study the report of the Collier committee and their estimates of available revenues. This figure is included in their report to the Collier committee, and is included in the Collier committee's general report to the Legislature.

ASSEMBLYMAN RALPH DILLS: But not its recommendation?

MR. GILMAN: No sir.

ASSEMBLYMAN RALPH DILLS: Well, do you think that the voter back home might be able to decide the difference between the Collier Committee's Report as you have defined it, and the Collier committee's recommendation as we now understand it?

MR. GILMAN: I don't think he would be able to distinguish the difference, no.

ASSEMBLYMAN RALPH DILLS: All right, now, with respect to No. 3, what did we say that was, the Highway Development Committee?

MR. GILMAN: That is from the Kennedy Report to the Collier committee and we assume—I believe that those figures were prepared for it by the State Division of Highways. I cannot say positively.

ASSEMBLYMAN RALPH DILLS: That is a Kennedy Report figure of expenditures during the four-year period?

MR. GILMAN: That is right.

ASSEMBLYMAN RALPH DILLS: Ending 1950?

MR. GILMAN: I believe that is correct, it is 1950.

ASSEMBLYMAN RALPH DILLS: Is that right?

MR. GILMAN: That is right.

ASSEMBLYMAN RALPH DILLS: And that is the Engineering Report which the Collier committee—well, I don't know how much they paid—but anyway, it was the report prepared to the Collier committee?

MR. GILMAN: That is correct.

ASSEMBLYMAN RALPH DILLS: Now, the surplus, of course, is a matter of your own computation, if we believe the other figures?

MR. GILMAN: That is correct.

ASSEMBLYMAN RALPH DILLS: Do you think that is a fair method of presenting the question of how much money is available to the people, who certainly aren't as privileged as we are to ask these questions?

MR GILMAN: No, but they are privileged to pay for them, and I think it is a fair presentation, Mr. Dills.

ASSEMBLYMAN RALPH DILLS: I think you would bring it up to that. With respect to what you are quoting here on the Governor's budget, I am informed by the Legislative Auditor on the 22nd of January, 1947,

the Highway Commission met and approved an addition to its budget report of $3,500,000, for what it is worth.

Now, may I ask, Mr. Chairman, is it permissible to ask Mr. Pearce now, or are we going to wait for a moment on that? I know Mr. Evans has been delayed asking his questions. If that is the policy, I wanted to ask Mr. Pearce—I believe the next question should be more appropriately directed to him.

CHAIRMAN HOLLIBAUGH: Let Mr. Evans ask his questions I think he has only one.

ASSEMBLYMAN EVANS: Mr. Chairman, I'd like to ask Mr. Don Gilman two more questions, and I think it will take only a few seconds, if I may.

Mr. Gilman, how many oil companies or corporations does your organization represent?

MR. GILMAN: Our organization represents about 300 oil companies and affiliated companies. By that I mean suppliers and manufacturers who are in small number, and the refiners and producers. There are about 300 companies.

ASSEMBLYMAN EVANS: Well now, are a major part of those companies—would you term them as big in the business—are they your major companies, or what do you term them. Are they independents or minor companies, or what?

MR. GILMAN: Well, there are only six so-called integrated companies, frequently referred to as major in the State of California. They are all members of our association. The balance of the memberships are composed of independent producers and refiners, and all phases of the independent industry. I would say that 90 percent of the producers of oil in the State of California is represented by this association.

ASSEMBLYMAN EVANS: Your association?

MR. GILMAN: Yes.

ASSEMBLYMAN EVANS: And that you would say that of some 300 major and other companies, 294 would be considered minor or independent companies?

MR. GILMAN: And including suppliers and others who participate.

ASSEMBLYMAN EVANS: Thank you, Mr. Gilman.

ASSEMBLYMAN RALPH DILLS: I did have another question. I was attending to some other matter here when this question of the Highway Department, or Highway Department's having some $50,000,000 in bonds, was discussed. Would you repeat what you did state in that connection and are you implying about the fact that they do have them that that is money which could be available but which wouldn't show up there in this particular picture?

MR. GILMAN: It is part of the financial picture. It is part of the funds available for construction of the highways, and are included in these figures.

ASSEMBLYMAN RALPH DILLS: It is included as part of it?

MR. GILMAN: Not additional beyond these figures.

ASSEMBLYMAN RALPH DILLS: And it is in the budget, is that correct?

MR. GILMAN: That is correct.

ASSEMBLYMAN RALPH DILLS: I mean in the budget report of the Governor?

MR GILMAN: That is true. It is not additional funds that are not reported here.

CHAIRMAN HOLLIBAUGH: Mr. Clayton Dills.

ASSEMBLYMAN CLAYTON DILLS: I would like to make just one report for the interest of Mr. Grunsky and Mr. Stanley, and the members of the committee in regard to the statement I made about the cards, and I would like to show them what the people have received before they mailed the cards. Now, they didn't just receive the card. They also received this pamphlet here, and I would like it understood that that is for highways, and if they didn't understand it, then they shouldn't have sent the card in.

CHAIRMAN HOLLIBAUGH: Mr. Thomas.

ASSEMBLYMAN THOMAS: In your conversation this afternoon I understood you to say that the Legislature shall first get all of the information, then decide on a highway program, is that it?

MR. GILMAN: Yes.

ASSEMBLYMAN THOMAS: Are you aware of the fact that the Legislature spent $120,000 on a committee that worked 18 months to bring all of the information to the Legislature?

MR. GILMAN: I spent a lot of money going with that committee, Mr. Thomas.

ASSEMBLYMAN THOMAS: In other words, you are aware of the fact that the Legislature has been getting this information right along?

MR. GILMAN: No, I didn't know that they were getting it right along.

CHAIRMAN HOLLIBAUGH: Either on the committee or with the committees.

ASSEMBLYMAN THOMAS: Is the Standard Oil Company and Richfield members of your association?

MR. GILMAN: Yes sir.

ASSEMBLYMAN THOMAS: What is the dominant reason that the oil companies have taken such a stand—such a terrific stand in opposing the highway program?

MR. GILMAN: We are not opposing the highway program.

ASSEMBLYMAN THOMAS: In other words, you are particularly interested in increasing taxes?

MR GILMAN: We are concerned over the tax increase now, but we are not opposing the highway program.

ASSEMBLYMAN THOMAS: But don't you think that it is the people's business rather than the business of your association?

MR GILMAN: Are the people going to be pinned down on this without having any voice in it?

ASSEMBLYMAN THOMAS: How much money has your association put out to send out these cards and soliciting this information?

MR. GILMAN: I haven't any final bill on that yet. A bureau handled it for us. We estimated it would cost $23,000.

CHAIRMAN HOLLIBAUGH: That wasn't just your district—that was stated earlier in the afternoon.

ASSEMBLYMAN THOMAS: We have conflicting meetings and I was attending another meeting, I was absent, I didn't get all of these questions and I want to clarify them in my mind.

Is it your contention that there is enough money in the fund today to go ahead with a long-range program of highway development?

MR. GILMAN: Yes, to start with.

ASSEMBLYMAN THOMAS: And how many years are you considering this program?

MR. GILMAN: I am considering the availability of funds for a program which will extend over the postwar period. We might get down to a more normal basis of cost then, and would go over in 1950.

ASSEMBLYMAN THOMAS: 1950, and you say costs will keep at their present level and will exist until 1950?

MR. GILMAN: No, I do not, I think it will decrease by 1950. I touched upon that in my report, Mr. Thomas.

ASSEMBLYMAN THOMAS: Is it possible to develop a highway program without taking into consideration a long-range 10-year program?

MR. GILMAN: Yes sir, I think it is.

ASSEMBLYMAN THOMAS: You think it is—on what basis do you come to that conclusion?

MR. GILMAN: Because I think that the program in industry, if we projected a 10-year program, we would not start out all at once on it. There is information to get and plans to make, detail and procedure, and then take all those necessary steps in the early part of the procedure, then the rest of the plan would follow. There is no reason why the State can't go through a construction program on the same basis.

ASSEMBLYMAN THOMAS: I see, in other words, it is your position that the State Legislature should provide legislation and a short program and spend money every two years in developing that program?

MR. GILMAN: No, I think the Legislature should pass a program necessary for the next year, and the following year do the work according to the amount in hand, and follow a plan that will plan for the eventual needs of the people of the State of California.

ASSEMBLYMAN THOMAS: Another question: I have received some communications telling me that the oil companies say that there is $140,000,000 in the Highway Fund, ready and available to be expended on highway construction. Where did you get that information from?

MR. GILMAN: From the state departments, State Controller, and the State Treasurer.

ASSEMBLYMAN THOMAS: Calling your attention to that conclusion you took under consideration in the Governor's budget that he stated that there was only $27,000,000, and also the Legislative Auditor's report, showing only $54,000.000 in that fund. Did that show $54,000,000 now, or on June 30th?

MR. GILMAN: The Legislative Auditor, Mr. Vandegrift, gave us a report that there is only $54,000,000 available for the Fiscal Year 1947.

ASSEMBLYMAN THOMAS: That—

MR. GILMAN: That doesn't agree, of course, with our figures.

ASSEMBLYMAN THOMAS: How about the budget with the $27,000,000 in it?

MR. GILMAN: I don't think that you have correctly read the Governor's budget, Mr. Thomas.

ASSEMBLYMAN THOMAS: Well, as I understand it, for—from the people coming before the Legislature for the last two weeks, from the testimony of Mr. Purcell and all, stated there wasn't sufficient amount of

money for any further new construction. How was that money disposed of?

MR. GILMAN: Yes.

ASSEMBLYMAN THOMAS: I am talking about the unexpended money —the surplus?

MR. GILMAN: I don't think there is any surplus in the cash at this moment.

ASSEMBLYMAN THOMAS: You are talking about the General Fund?

MR. GILMAN: No, I am not talking about the General Fund.

ASSEMBLYMAN THOMAS: When you say there will be millions of dollars available for building these new highways, you are talking about the Highway Fund?

MR. GILMAN: Yes, I don't know anything about the General Fund, other than it is pretty large.

ASSEMBLYMAN THOMAS: We are talking about some—

MR. GILMAN: —we are talking about some $27,000,000.

ASSEMBLYMAN THOMAS: Just one more question that I would like to ask. In all of your conversations and your reports, are you talking and taking under consideration the construction of 18 new freeways for expressways as provided for in the legislation?

MR. GILMAN: I am not expecting the State Division of Highways will build 18 new expressways in the next four years, but they have six expressways that are under construction at the present time.

ASSEMBLYMAN THOMAS: In other words, you are not considering the newly constructed or proposed new freeways?

MR. GILMAN: Yes, I am. I know that several are being constructed at the present time. I have a list of it here somewhere. There is a Hollywood Freeway that is under construction, and contracts are being let for the Santa Ana Freeway, and the Lodi and Stockton—here we are—(refers to list) Cabrillo Freeway in San Diego, the Bayshore Freeway in San Francisco. Now, those are freeways now being constructed. Now the division cannot build 16 freeways in the next three or four years. They are going to do well to build these because of the lack of material and labor. That stands in the way too.

ASSEMBLYMAN THOMAS: How long has your organization been making surveys and going on into this proposed highway program?

MR. GILMAN: We have been interested in this highway program for over two and a half years.

ASSEMBLYMAN THOMAS: In other words you are taking into consideration the Collier Committee's Report?

MR. GILMAN: We have worked with the Collier committee. I was a member of the advisory council, and attended many of its meetings.

ASSEMBLYMAN THOMAS: In other words, you stated that there are six freeways under construction now?

MR. GILMAN: Yes, there are five freeways under construction now and three on order—that would be eight.

ASSEMBLYMAN THOMAS: Mr. Chairman, may I ask: Will Mr. Vickrey be available to ask questions before we complete the entire hearing?

CHAIRMAN HOLLIBAUGH: I don't think he will be available for the next couple of days, but he will be here unless something unforeseen should bring the hearing to a conclusion.

ASSEMBLYMAN THOMAS: I would like to recall Mr. Vickrey and members of the Highway Department so that I could ask them similar questions so that I could get it into the record, the questions and answers from the department—that is, responses to questions I asked Mr. Gilman.

CHAIRMAN HOLLIBAUGH: They will be present tomorrow, those three gentlemen from the Highway Department. Is there anyone else that wished to question this gentleman? Mr. Stanley?

ASSEMBLYMAN STANLEY: You mentioned that there are approximately $140,000,000 in the Highway Fund available for highway construction. Do you know about how much of this money is already spent?

MR. GILMAN: Well, I think we have reported on that, Mr. Stanley, of the various amounts that are available. That doesn't mean the money has been spent.

ASSEMBLYMAN STANLEY: No, my understanding of this budget report is that they have to show the cash on hand, but it is not necessarily cash that is available for work, or additional cash that could be allocated. Is that right?

MR. GILMAN: That is correct, yes.

ASSEMBLYMAN STANLEY: Do you know what amount of that $140,000,000 has been allocated?

MR. GILMAN: No, I do not.

ASSEMBLYMAN STANLEY: Thank you.

CHAIRMAN HOLLIBAUGH: Nothing further, Mr. Gilman. You may retire, and Mr. Pearce, I think there was a question or two for you.

MR. GILMAN: I want to thank you for your courtesy.

CHAIRMAN HOLLIBAUGH: We thank you for appearing. I am sure we received some very valuable information. Mr. John Pearce: Are you connected with the same organization?

MR. JOHN PEARCE: (Economist, Western Oil and Gas Association.) I am John M. Pearce, and I am economist for the Western Oil and Gas Association.

CHAIRMAN HOLLIBAUGH: Mr. Dills, Ralph C. Dills wishes to ask some questions. In the meantime, I might ask you: What did you say the nature of your work is?

MR. PEARCE: I am economist for Western Oil and Gas Association.

CHAIRMAN HOLLIBAUGH: Do you care to give us any more on your background?

MR. PEARCE: For one and a half years I was tax counselor for the California Taxpayer's Association, for five years I was director of the Tax Department, California State Chamber of Commerce, and for the last 18 months, I have been in my present employment.

CHAIRMAN HOLLIBAUGH: Did you prepare these figures that this organization has been publicizing?

MR. PEARCE: Yes sir.

ASSEMBLYMAN RALPH DILLS: We notice in the papers and it has been brought out in committee here, that certain state officials have questioned these figures as probably being misleading and so forth, and I'd like to ask you if you took any particular pains or exercised any particular precaution to get correct figures?

MR. PEARCE: I have been in more or less intimate contact with the state officials for some 17 or 18 years. It has been my practice to contact those individuals in State Government and local government who are possessed of the most reliable source of public information. In regard to the information that we have obtained, we have used several sources, rather than compiling figures of our own which would be impossible because we do not have the engineering staff to make physical studies and as extensive as that being considered in Senate Bill No. 5. We have had to rely on public agencies and certain civic organizations for more of the information we have put together in the literature that we have distributed.

Now, with regard to the proposed expenditure program for the four-year period beginning July 1, 1946, and ending June 30, 1950. We have taken into it one set of figures, which appears on page 177 of the Kennedy section of the Collier committee report, which is a volume something in the neighborhood of an inch in thickness, submitted by the Collier committee to the Legislature on January 13, 1947.

In that report you will find a breakdown of expenditures covering a 14-year period. It happens that one year of that 14-year period is the year 1945-46, which period has already been passed. We started our projection on July 1, 1946, and used their actual recommended expenditures for the following four-year period. These expenditures included state highways, county roads, and city streets. So bear in mind that the figures are over-all with respect to the state and local highway system.

On pages 177 to 181 you will find that the Kennedy staff of the Collier committee had recommended that there be expended the following amounts: $148,000,000 this year; $137,000,000 next year—one hundred thirty-seven in 48, 49, and $210,000,000 in 1949-50. Then we proceeded to obtain revenue estimates to match those proposed expenditures to determine approximately how much money we had available.

We used the figures of the California Major Highway Improvement Committee, a committee of 22 representatives from different civic and semipublic organizations. Their revenue estimates were prepared by a subcommittee consisting of representatives of the two automobile clubs, the California Taxpayer's Association, the Los Angeles Chamber of Commerce, State Chamber of Commerce, and our own organization. We became a member of that committee by invitation. That committee spent many months acquiring that subject, and came forth with a rather comprehensive report which was submitted to the Collier committee on the 25th of September, 1946. In that report, the California Major Development Committee after very painstaking inquiry, reported that as of July 1, 1946, there was on hand in the State Treasury or currently due in federal aid, $132,898,000.

If any of you are interested in the details concerning how that figure is built up, I refer you to page 195 of the March 3, 1947, Senate Journal, Special Session.

The committee then proceeded to estimate revenues from state sources, including federal aid, for the ensuing 10-year period. We took four years, of course, four years represent a fair distance into the future; that committee estimated the many sources there would be available from the year beginning July 1, 1946, $462,000,000; add that to the beginning carry-over balance of $133,000,000 and the total in state

revenue and available for state and local highway purposes in the four-year period was found to be $595,000,000.

The recommended expenditures contained in the Kennedy Report, however, included county roads and city streets, so it is necessary to take into account the amount of money which may be expected from local tax sources. In order to balance the statement, we refer to another section of the Collier Committee Report, known as the Zettel Report, on page 108 of that record, which is contained in the great volume I hold in my hand, we found that in the year 1944 and 1945, which was the latest year reported, local property taxes aggregated $17,000,000. Inasmuch as this is a growing State, and the assessment roll is expanding, we checked projection into the future, figuring the future at the rate of 5 percent a year. That would produce approximately $73,000,000 from state and local sources. If there is no change in the 58 counties of this State, state levy, county road taxes, and a great many cities depend to a large extent on General Fund money for city street purposes, even it is adding $73,000,000 in local taxes to the amount estimated by the California Major Highway Development Committee as being an estimate from state sources, including federal aid. We found that the available in the next four years would be $668,000,000. That is $35,000,000 more than the technical staff of the Collier committee estimated would be necessary in that same period of time.

Now, questions have been raised concerning whether or not that represented an accelerated program. Referring to the records of the State Division of Highways for the past 10 years, we find that construction expenditures, and now I refer only to the State Highway System, averaged $27,000,000 a year. In the Kennedy Report we find that construction expenditures are recommended in the following amounts:

In the year 1945-46, which year has already passed, the technical experts recommended that there be expended on new state highway construction $70,666,000. Actually expenditures in that year amounted to somewhat in the neighborhood of $27,000,000. The Collier committee technical staff must have known that because this statement was submitted to the Collier committee on October 16, 1946, or three months and sixteen days after the close of that fiscal year, but let that be as it may. The technical staff of the Collier committee recommended there be expended on state highway construction this fiscal year something in excess of $70,000,000. Next fiscal year, something in excess of $50,000,000, and then in the Fiscal Year 1949-50, approximately $52,000,000. No doubt the committee anticipated that the surplus would be used up last year and this year and there would have to be a curtailment of the program in the next two years. We used those figures because they were official. They are readily available and the Collier committee accepted the over-all amount, which amounted to $2,820,000,000.

We have stated, Mr. Gilman testified, and I repeat now, that those figures, in our estimation, are official, so we picked up those figures for four years, and examined them with the revenue estimates of the California Major Highways Development Committee, and on the basis of those two sets of figures, there should be, if the figures are correct, a carry-over balance on June 30, 1950, of approximately $35,000,000. If revenue yields are greater, the figure will be greater—the surplus will

be greater. If the spending agencies are successful in accelerating the rate of expenditure, that figure would be less.

Question can be raised on that point however. If you will refer to another section of the Collier Committee Report, prepared by its technical staff, which points out that this year, highway construction costs based on a unit measure, will be about 74 percent above the prewar level. The staff points out, however, that next year, presumably 12 months from now, construction costs will have dropped to 46 percent above the pre-war level and then the staff points out on page 217 of the Collier Committee Report to the Legislature, of January 13th, the cost will taper off to a point about 28 percent above the pre-war level. In other words, there are certain limitations, first, with respect to spending agencies to spend money on hand, and then, secondly, with respect to the cost factor.

If every spending agency, public and private, endeavored to forego all necessary construction in the next 12 months, in the first place it would be a physical impossibility to get the material, and, in the second place, the market would be glutted with contracts to the point where a lot of very necessary construction outside the field of highway construction would have to be neglected, as Mr. Gilman pointed out, a factor of great importance to a lot of citizens in obtaining a house to live in—a roof over their head.

With respect to the Governor's budget, Mr. Gilman pointed out, and I refer to specific pages for this source of information of that section of our pamphlet which quotes the Governor's budget. It is needless for me to repeat what he has already said, but we would like to point out this: That for the preceding 10 years up to last June 30th, the State Division of Highways spent on construction on an average of $27,000,000 a year. The Governor's budget anticipates that during this fiscal year, there shall be spent on state highway construction about $68,000,000, and about three or four million dollars in other types of construction, which I assume is in the form of structures, buildings, to house equipment and so forth. And then the Governor's budget recommends that next fiscal year the State Division of Highways expend on highway construction approximately $68,000,000 and then some $3,000,000 more for other types of construction such as structures. We have already been informed that with respect to the source of that information, but for those of you who were examining the documents, those construction data appear on 879 of Governor Warren's budget, as submitted to your honorable body on January 29, 1947.

That, Mr. Chairman, I believe represents a brief summary discussion of the sources of fine information which our association drew together in the compilation of the pamphlet which was sent out to the motoring public in regard to the question of increasing the state gasoline taxes.

CHAIRMAN HOLLIBAUGH: Was that designed to mislead the public?

MR. PEARCE: Not in the least. We tried to put such information in that pamphlet as we possibly could, and if you will note the cover of the pamphlet, it says, "No need to increase your State gasoline taxes now," and throughout the pamphlet the word "now" appears. In other words, speed is not the essence unless it is intended that highway construction be accelerated even beyond that point anticipated in the Governor's budget, for unless it is anticipated that there be accumulated a state highway surplus even greater than that now in existence, and I wish to

call your special attention to the facts, that is, of December 31, 1946, which is about two and a half months ago, the State Controller's books, and after all the State Controller is an independent constitutional officer, he has no interest in the controversial aspects of this matter, on that date the State Controller's books show cash balance in Highway and Motor Vehicle Fund, which included the Motor Vehicle Fuel Fund and the Motor Vehicle Fund, the State Highway Fund, and the Postwar Unemployment Construction Fund, the total of $150,000,000, and earmarked from that was $107,269,795. The Controller further reported that on that day, the State Division of Highways had invested in United States Government Bonds $60,000,000, and I gather from the Governor's budget, that those bonds will not be liquidated this fiscal year because on page 884, a part of the revenue of the State Division of Highways for the Fiscal Year 1946, 47, 48, comprises interest on investments, the exact title used in the budget is "Interest on Surplus Funds Invested, $573,500."

CHAIRMAN HOLLIBAUGH: Mr. Dills.

ASSEMBLYMAN RALPH DILLS: Mr. Chairman, I wanted first to state that this imposing document which I have here was given me by the Highway Division at my request the other day, and it shows the two and three and four lane or more highways throughout the State, as they presently exist, and if anyone is curious about it, that is what it is. That shows the situation as it is today, and you may look at it at your leisure.

Mr. Price—

MR. PEARCE: Pearce.

ASSEMBLYMAN RALPH DILLS: Mr. Pearce, the Senate Journal on January 13, 1947, containing a letter, or certain figures which were placed in there by Senator Jack Tenney, of Los Angeles County, and it contains figures regarding funds available for highway purposes—that is page 22. Do you have that there?

MR. PEARCE: The Senate Journal for January 13th.

ASSEMBLYMAN RALPH DILLS: Yes, page 22.

MR. PEARCE: Yes, I have that Journal in my hand.

ASSEMBLYMAN RALPH DILLS: Column three gives the estimated local property taxes for the period ending 1950. You will notice there is no carry-over or cash balance in this column—this column three.

Now, in the letter which Senator Collier sent to me in which he printed to the Senate Journal, page 2, March 5th, respecting my questions as to the balances in all funds, federal, state, city, and county, as of July, 1947. The statement is made—this is a quotation from his letter to me: "On June 30, 1945, counties had $18,000,519 in their local road balances. This amounted to an abnormal balance of $11,742,000 as compared with prewar balances. It is believed that the major part of the abnormal balance will be spent on county roads by June 30, 1947." End of quote. I assume that the table on page 22 that I referred to starts with July 1, 1946, which would be a year later than June 30, 1945, when the $18,000,000 was on hand in the county balances.

Now, my question to you after that rather lengthy foundation is this: Do you know whether in the ordinary course of business, the counties would have had a balance in their road fund as of July 1, 1946?

MR PEARCE: I would be of the opinion that the county road balance as of June 30, 1946, in county treasuries would be greater than that existing a year before, because the counties have had the same difficulty

in carrying out their construction projects as has the State Division of Highways. I would like to call your attention, Mr. Dills, to the fact that when I said $73,000,000 would be available for highway purposes out of local taxes, that statement did not include that carry-over balance. We omitted it—the committee omitted it of which I was a member, because the information wasn't available to us as of June 30, 1946, and we didn't feel that we should go back and use a 1945 filing when all our other base figures were as of June 30, 1946, but I believe it is a significant fact to point out that that would add an additional eighteen or nineteen million dollars to the total amount of money available for road purposes in the next four years.

ASSEMBLYMAN RALPH DILLS: Now, supposing there were some balances in there in these county funds. In setting up figures clearly as to what is available, should such balances be added into column three as it appears on page 22 of the Senate Journal of January 13th, and thereby increase the estimated amount of funds from local property taxes?

MR. PEARCE: I believe it would be an order for your committee to take into account that carry-over balance, because it is money available for highway purposes, and over-excess against projected expenses.

ASSEMBLYMAN RALPH DILLS: Do you think it would be a proper subject for the chairman of this committee or some member of, to inquire from the various counties the amount of unexpended balances they might have in their county fund?

MR. PEARCE: I believe it would be an order for your committee to ascertain a figure indicating the amount of road money available as of a more recent year than June 30, 1945. I would also suggest that a similar inquiry be directed to city governments. I realize the city government's finances—that they finance their roads generally out of their General Fund, and it may be physically impossible to segregate the balance in their General Fund as to the indicated fund available for street purposes, but the committee should make an attempt to ascertain that figure because all sources of income should be taken into account in analyzing the financial situation with respect to state and local highways.

ASSEMBLYMAN RALPH DILLS: Do you think that the Legislature should adopt a policy or at least to have some agency or some committee that has the power to inquire into the using of county and city funds that are made available to them through the gas tax source?

MR. PEARCE. I believe that it is necessary in order that you may have full possession of the facts to obtain information from local governments and I believe particularly to county and cities, as well as to obtain information from the State Division of Highways; the State Division of Highways is merely one segment of the over-all highway administration set-up in the State of California.

ASSEMBLYMAN RALPH DILLS: In your opinion then, I take it that you consider moneys which might be in the county or the local property tax balances, or the city funds, should be considered by this Legislature in the over-all consideration of the amount of finances available to complete our highway construction?

MR. PEARCE: I believe that in order to answer the question concerning how much local governments require for highway purposes, that there should be taken into account the amount of money available from

local sources. In other words, local governments receive their highway revenue from three sources: Federal aid, state aid, and locally imposed taxes. You would not have a balanced picture unless you get information from all three sections of the revenue structure, the county roads and the city streets, and I think the cities and counties would be glad to supply the Legislature with information if that request were for highway purposes.

ASSEMBLYMAN RALPH DILLS: Thank you, Mr. Pearce.

CHAIRMAN HOLLIBAUGH: Mr. Thomas?

ASSEMBLYMAN THOMAS: Mr. Pearce, the large figure which you have been using, which totals somewhat over $500,000,000, over the next four years, are you aware that that will be divided into 58 counties, and 290 cities, also for the maintenance of state highways, the 14,000 miles of state highways, and the administration costs?

MR. PEARCE: That is true. That figure is an over-all figure, it includes administration and construction, maintenance and construction.

ASSEMBLYMAN THOMAS: And the various amounts that go to the 290 cities?

MR. PEARCE: That is right.

ASSEMBLYMAN THOMAS: And the share that goes to the 58 counties?

MR. PEARCE: That is right.

ASSEMBLYMAN THOMAS: Is it your contention then, that that is a sufficient amount of distribution to the cities—

MR. PEARCE: Our contention is—

ASSEMBLYMAN THOMAS: —in other words, the distribution under our program is sufficient for the county or the city?

MR. PEARCE: Mr. Thomas, this is not our program. It happens to be the recommended program as set forth in the Kennedy Report, which is one of three reports contained in the Collier Committee Report to the Legislature. We have merely used the figures as set forth in the Kennedy Report, and we are not possessed of sufficient engineering skill to pass on the accuracy of this figure or to pass judgment on the adequacy of those figures.

ASSEMBLYMAN THOMAS: I know, but your association advocated that $500,000,000 is sufficient to take care of the program for the next four years. Now, I just asked the question—are you aware that that amount is broken down into those 58 counties and 290 cities; now, you said you were aware; now, my special question is this: Is that amount sufficient to take care of the city needs?

MR. PEARCE: We are not in possession of engineers or skilled men to enable us to determine the precise highway needs of each and every political subdivision. We are merely using summary figures as contained in this report. I might say that it was somewhat of a disappointment to us not to have in our possession a more detailed information concerning the said uses for which this money was to be used. The Kennedy Report contained summary information. We have been advised that it is supported in great detail in documentary information compiled by the Collier committee and the League of California Cities, and submitted to the staff information compiled by the county supervisory associations, and submitted to the staff. We have not examined all that information because it is not available to us.

ASSEMBLYMAN THOMAS: Did your association put this bulletin out? (Exhibits to witness.)

MR. PEARCE: Yes, sir.

ASSEMBLYMAN THOMAS: Well, it reads—I am merely reading from that bulletin, "all the major improvements in California highways during the next four years, including the next fiscal year can be financed out of revenues and"—

MR. PEARCE: Preceding that statement there, referring to the Collier Committee's Report on the State of California Major Highway Development Committee inferences that those figures are based upon, shows two official sources of information. I don't believe there is any inference that that represents our part as to the adequacy of the highways.

ASSEMBLYMAN THOMAS: In other words, the figures that you have placed there in this bulletin that you have passed around to the people, you have merely taken these out of the Collier Report and so expressed this to the people in the district which elicited this card, not knowing whether these figures were correct?

MR. PEARCE: No citizen is capable of verifying by himself the accuracy of public documents. We assume that is the result of the Collier committee's expenditure of somewhere in the neighborhood of $120,000 in the last 18 months or more, and it employed a nationally recognized highway engineer and economist that the figures submitted in their reports were accurate and defensible. We have no reason to believe that the technical staff of the Collier committee would have deliberately deceived us, therefore, we made no inquiry into the accuracy of the figures we are using—quoting in this pamphlet.

ASSEMBLYMAN THOMAS: Do you know how much money is now available in the State Highway Fund?

MR. PEARCE: As of the first of January, which happens to be the last figure I have in my possession, there was in the State Highway Fund, according to the records of the State Controller, $64,891,730.

ASSEMBLYMAN THOMAS: Who keeps the books of the State Highway Fund—how many sets of books are there?

MR. PEARCE: Well, unfortunately, there are many sets of books.

ASSEMBLYMAN THOMAS: Isn't there only one set of books?

MR. PEARCE: No sir.

ASSEMBLYMAN THOMAS: Isn't there only one set of books, doesn't the State Highway Department have that?

MR. PEARCE: No sir, the State Division of Highways has an accounting office. The chief accounting officer is E. R. Higgins. He keeps the books of the State Division of Highways, and he has a staff under his direction as to how the money is expended by the State Division of Highways. The funds of the Division of Highways is held in the custody of the State Treasurer, and is expended only on warrants issued by the State Controller.

ASSEMBLYMAN THOMAS: In other words, there are more than one set of books? I want to get that in the record. It is your contention there is more than one set of books in the Highway Department?

MR. PEARCE: There are more sets than I have already indicated.

ASSEMBLYMAN THOMAS: Did you read the Senate Journal of March 10, 1947?

MR. PEARCE: Well, I don't know—

ASSEMBLYMAN THOMAS: Have you a Senate Journal?

MR. PEARCE: I do not possess a Journal for that date.

ASSEMBLYMAN THOMAS: Well, in this Journal on pages 6 and 7 it indicated projects not included in the Ninety-ninth Fiscal Year from July 1, 1947, to June 30, 1948, expenditures of $40,173,000 for 68 projects I want to ask you this one question: Are there enough funds available to take care of these 68 projects?

MR PEARCE: I do not find any such report in the Senate Journal for March 10th

ASSEMBLYMAN THOMAS: Assembly Journal, I mean.

MR PEARCE: I do not have an Assembly Journal in my possession at this time

ASSEMBLYMAN THOMAS: Page 6 Now, these were not included in the budget. Do you think there is any money available to complete these?

MR. PEARCE: In order to answer your question, I would have to study these figures I notice they are very detailed over a great many pages.

ASSEMBLYMAN THOMAS. No, no, it only covers two pages—two pages of 68 projects.

MR PEARCE: I have not examined this statement, and I cannot answer your question at this time. I can say that on the basis of the Governor's Budget, a program recommended by him pursuant to Section 34, Article 4 of the Constitution, which relates to the Executive Budget. He has indicated a greatly accelerated highway construction for the next fiscal year, and the figures contained in his budget are from the State Department of Public Works, which indicate that on June 30, 1948, almost a year and a half from now, there will still be available in the State Highway Fund something in excess of $13,000,000. Also on that date, there will be in the Motor Vehicle Fuel Tax Fund available for transfer on the following day, approximately $21,000,000, and there will be in the Motor Vehicle Fund about eight or nine million dollars, a part of which is available to the State Division of Highways, so that on that date there will be a very large sum of money available despite the fact that the recommended construction program as contained in the Governor's Budget is more than two and a half times as great as the average for the last 10 years, and for the figure for last year which approximated $27,000,000.

ASSEMBLYMAN THOMAS: Are you taking into consideration the consideration of the cities and counties when you say that the surplus that I mentioned will be there?

MR. PEARCE: The surpluses that I refer to relate only to the State Highway Fund, and not to any local funds contained in local treasuries.

ASSEMBLYMAN THOMAS: Would you say that the report on pages 6 and 7, which is put here by the request, I believe, I think it was due to a letter of Mr. Dills, showing the 68 projects, the contracts to be let July 1, 1947, which will go as far as June 30, 1948, would you say that this is incorrect?

MR. PEARCE: No, I wouldn't say it is incorrect. I am not in a position to express an opinion on this subject until I have examined it more carefully. If I were to express an opinion at this time, I might give you a misleading conclusion.

ASSEMBLYMAN THOMAS: Well, let's get to page 8 now. It shows contracts opened June 30, 1945, until January 29, 1947, showing several

hundred contracts here, or several hundred projects, and expenditures of $24,779,700. Won't that take up all of the money available that you have stated would be available?

MR. PEARCE: I doubt if it will take it up, but again, I am not sure, because I have not examined the statement, but I would like to call this to your attention, Mr. Thomas * * *

ASSEMBLYMAN THOMAS: In other words, you are—you are not acquainted as the State Highway Department lets out these contracts, are you?

MR. PEARCE: You may be interested to know that last October I called on the State Division of Highways and asked for a copy of projects approved by the State Highway Department of current biennium, and the engineer I addressed stepped into the next room and took a pair of scissors and cut off the amount and gave me a list of these projects, indicating only the mileage involved. I have two documents in my possession, if there is any doubt about the accuracy of my statement. There is another person that I am familiar with that had the same experience we have had in getting some information of that character. We had to depend on information published in the Journals of the two houses of the Legislature, and that information that your body has been requested to give has been very helpful to us in developing a better understanding of this problem.

ASSEMBLYMAN THOMAS: In other words, you haven't had a chance to study the report in the March 10th Report, as requested by Mr. Dills?

MR. PEARCE: That is correct.

ASSEMBLYMAN THOMAS: So you can't give a direct answer to the questions which I have asked?

MR PEARCE: That is correct.

ASSEMBLYMAN THOMAS: Getting away facts and figures—you are an economist—how long do you think the present cost level will be in existence?

MR. PEARCE: That is a matter upon which no economist will advise with any degree of accuracy.

ASSEMBLYMAN THOMAS: You don't know whether there is going to be another recession or depression?

MR. PEARCE: It might be of interest to you and the other men of the committee to know that after every major war in which the United States has participated, there has been an immediate increase in the price level, as expressed in terms of wholesale commodities prices, and following that adjustment upward, which is a reconversion characteristic, there has always been a long secular trend downward in the price level. After World War I, and that is our most recent experience, prices rose from the end of the war until June 1920, and then there was a rather precipitous decline in wholesale prices and similar adjustments in other economic measures, and then we entered onto a plateau somewhat elevated than that upon which we entered at the beginning of the war. Economists believe a similar pattern will begin now—it may not be so following this particular war though.

ASSEMBLYMAN THOMAS: The experts of the Collier committee in a chart which appears in this printed report, anticipated that there would be a substantial decline in highway construction costs by the time 1948 had arrived, and from that point on there would be a continued decrease

in construction costs. How long do you think the present cost level will remain, would you say next year or two years from now?

MR. PEARCE: It would be my opinion—

ASSEMBLYMAN THOMAS:—basing my question on the fact that the foreign countries will not be able to support actively the Far East and other countries will not be able to export any great quantities, and this Country will be able to do a great deal of exporting to other countries to supply the necessary commodities, how long do you think it will take before the present high cost of production level will remain?

MR. PEARCE: It is my opinion that there should be some evidence of decline in cost for the year 1947, and before the year comes to an end. The exact time of that adjustment in the price level will depend on a number of factors which are variable.

ASSEMBLYMAN THOMAS: Will the cost of living also drop in that period?

MR. PEARCE: It is my opinion that before the end of this year the cost of living will decline; next year the decline will be more substantial, and in the meantime, because by that time many of the shortages will be taken care of. I might add that as an economist, my opinion in regard to a decline in prices is predicated to a large extent on the great capacity of the American industrial machine to produce. It is only where goods remain scarce that you have runaway inflation.

ASSEMBLYMAN THOMAS: Could I sum up the presentation of your association as this: That you are not opposed to a highway construction program, No. 1; No. 2, that there are sufficient funds available to take care of the critical deficiency conditions of our state highways; No. 3, that there is a sufficient amount of money to take care of the deficiencies in our highways today; No. 4, even considering eight—six new freeways under construction now, as Mr. Gilman pointed out, and the two being considered makes eight; No. 5, that the cities are able to take care of their own problems in this development of their highways and the needs of the streets; No. 6, that the counties have a sufficient amount of funds to develop the county plant; No. 7, there is enough money to take care of the administrative cost and maintenance of 14,000 miles of state highways; would that be reasonable as an assumption of the arguments presented by your organization?

MR. PEARCE: You covered a very considerable amount of ground in your premises, and certain of the points you have raised are relative.

Again I will say that your statement is premised on the recommended program on the one hand, the four year one of the Collier committee.

ASSEMBLYMAN THOMAS: Then you do think I have stated—

MR. PEARCE: No sir, of course that is a relative term again, but if it were proposed that there be spent tomorrow $10,000,000,000, there is a difference between one program and another.

ASSEMBLYMAN THOMAS: I mean, as the present program which is underway—I am not talking about any future program—the present program?

MR. PEARCE: The program that is being discussed aggregates $2,820,000,000 for state highways, county roads, and city streets, and a part of that program is contained in the Collier Committee Report, is contained or summarized in the pamphlet to which you refer, which

is an expression of our policy, that there is no need for an immediate increase in the gasoline tax, and presumably that same argument would apply to all highway revenue, yes sir.

ASSEMBLYMAN THOMAS: You have confused my line of thought. It was very well done. I want to stick to seven and eight points that I have concluded from your presentation today. No. 1, we are not against the highway program—its present program—you are not against that?

MR. PEARCE: No.

ASSEMBLYMAN THOMAS: That there is sufficient amounts of money available to take care of the critical deficiencies in our highway system?

MR. PEARCE: No. I wouldn't say that, because again the word "critical" deficiency is a relative word.

ASSEMBLYMAN THOMAS: Now "critical deficiencies" as used by the department are those deficiencies which need immediate correction, right now, immediate correction. "Deficiency" as the department uses it, means that it is needed, but we can wait a little while.

MR. PEARCE: Well, it happens that the critical deficiency program as submitted to the Legislature in January specifically stated a 10-year period of construction; in other words, you can't say that there is any presumption that that would be carried out now. I don't think that the State Division of Highways anticipates a program of that size would be carried out within the next year or two, for their statement indicates that it covers a 10-year period.

ASSEMBLYMAN THOMAS: Let's get back to another one. You say—would I be correct in also stating that your presentation today said that there is enough money available after distributing the amounts to the cities, counties and state highways system, that the cities have a sufficient amount of money available to take care of their problems? The reason I am asking this question, was to check what Mr. Graves said yesterday. He said the cities are in a critical need of immediate financing now for the problems in their metropolitan cities.

MR. PEARCE: Again I will have to repeat that that figure that we used included the Kennedy committee or Kennedy staff recommendation with respect to cities, as well as county roads, and state highways, so insofar as that staff felt, that that expenditure program was correct, our answer to your question would be "yes," but again it is a relative term. We received a great many and different proposed expenditure programs. They do not agree, one with the other. As a result we can't say that one program is right and the other is wrong.

ASSEMBLYMAN THOMAS: Am I correct in thinking that your association is against increase in taxes?

MR. PEARCE: Our formal statement has been—

ASSEMBLYMAN THOMAS: I am trying to find out just what your association is specifically recommending, not generalities.

MR. PEARCE: It would follow that if we believed there is no need for an increase in the gasoline taxes because the State Division of Highways or the over-all highway setup has sufficient money to take care of immediate expenditures as recommended by these experts, it would follow that we would oppose or feel that there was no need for increasing any highway revenue, but we do not feel that we are qualified as an industry, to speak on taxes that affect other groups. Those groups will be represented by their own spokesmen.

ASSEMBLYMAN THOMAS: Well, you attended, and I understand Mr. Gilman was an advisor for the Collier committee, and you followed this for the last one or two and a half years, and you should know all of the answers after that, also being an economist, you could give us some specific answer. I am assuming that with two and a half years of work on this putting out this report that you would be in position to answer the questions which I asked. I am merely trying to get the information. I am not trying to harass your position, but you testified and gave conviction to your testimony as to how much money was available in the funds, how much money should be spent on the critical deficiencies on the highways, and there has been so much contrary evidence presented that I am trying to piece it together, if I can.

MR. PEARCE: That was the concluding observation in Mr. Gilman's report, that there was so much confusion and so many unanswered questions.

ASSEMBLYMAN THOMAS: That is why I asked you, because I thought maybe you had the answers.

MR. PEARCE: If we did, I mean, if we did have the answers, we would be pleased to supply you with the answers, Mr. Thomas.

ASSEMBLYMAN THOMAS: I would like to make a motion at this time which is, I think, is very important. I want to make a motion to the chair that the chair request the Highway Department to present to the committee—it only takes a half-hour, we can do it tomorrow—present to the committee: Question No. 1: How many books are kept on the State Highway Fund; No. 2: How much money is available for immediate use that has never been presented by the department?

CHAIRMAN HOLLIBAUGH: How many books?

ASSEMBLYMAN THOMAS: How many sets of books are kept and how much money is available for expenditure.

CHAIRMAN HOLLIBAUGH: As of today?

ASSEMBLYMAN THOMAS: And also No. 3: The amount of money in that fund not earmarked for future construction. I make that motion because seven witnesses all gave us various figures and they all do not seem to correspond with each other.

CHAIRMAN HOLLIBAUGH: Money in that Highway Fund as of today, or what date?

ASSEMBLYMAN THOMAS: As of today.

CHAIRMAN HOLLIBAUGH: Second to that motion?

ASSEMBLYMAN WATERS: Second it.

CHAIRMAN HOLLIBAUGH: All in favor of the motion? (Response was heard from the members of the committee). Those opposed? (No response was heard). The motion is carried, that request will be made, Mr. Thomas.

ASSEMBLYMAN THOMAS: Mr. Hollibaugh, may I make one request—I am way over here now—I would like to ask the Highway Division to take this map which they have prepared for me, and place upon it the projected 10-year plan, which plan I think is in the Senate Journal, the 10-year plan of critical deficiencies, or the recommendation for the critical deficiencies is, and place it on this same map in different colors so that we Members of the Legislature may see the new highways and the new plans and where they shall be?

CHAIRMAN HOLLIBAUGH: No objection, is there, Mr. Thomas, to including that in your request? (Mr. Thomas voiced no objection). Any more questions to ask Mr. Gilman or Mr. Pearce?

ASSEMBLYMAN THOMAS: I have. I was just wondering if Mr. Pearce would be available to the committee again. Is that right, Mr. Chairman Hollibaugh—beg your pardon, if later on after we have had a little time, will Mr. Pearce and perhaps Mr. Gilman be available again. We could want to come back on some of it.

CHAIRMAN HOLLIBAUGH: Mr. Gilman, and he just informed me that Mr. Pearce will be here on the last few days.

ASSEMBLYMAN THOMAS: The figure—the $633,000,000 figure used in the little pamphlet that was circulated with the postcard, is based on the estimates included in the Kennedy Report for the fiscal years ended 1947, 48, 49, and 50, is that right?

MR. PEARCE: It covers the four-year period beginning July 1, 1946, which was last July 1st and ended June 30, 1950—in other words, we are in the middle of the first of those four years.

ASSEMBLYMAN THOMAS: Thank you.

ASSEMBLYMAN KIRKWOOD: Totaling the figures there on three different pages, do they add up to that $633.000,000?

MR. PEARCE: Yes.

ASSEMBLYMAN KIRKWOOD: Is there any figure included in there for the operation of the Motor Vehicle Department?

MR. PEARCE: No.

ASSEMBLYMAN KIRKWOOD: Aren't we discussing as a part of this program and contemplated as a part of our use of the highways, the operation of the Motor Vehicle Department?

MR. PEARCE: That is included in the over-all highway problem. The figures that we have used relate only to highways and not to the registration and regulation of motor vehicles, and the revenue figure we have used are only with reference to figures which relate to highways and do not include that share of motor vehicle fees and certain other moneys which are dedicated to the support of the State Department of Motor Vehicles.

ASSEMBLYMAN KIRKWOOD: This $35,000,000 figure, is that adjusted to take out that share of the revenue?

MR. PEARCE: As you understand, the State Department of Motor Vehicles gets a percentage share of motor vehicle registration fees and that money should be excluded from these totals.

ASSEMBLYMAN KIRKWOOD: I wasn't clear on that. Then on the actual state highway expenditures, it is true that while you speak of an accelerated expenditure during this four-year period, the Kennedy recommendation did not really start to accelerate it greatly until 1950, or until the 1949-50 Fiscal Year?

MR. PEARCE: That is right, for the apparent reason as expressed by the staff, that it would be unwise to disturb existing plans and I would assume also that the committee had in its mind, or rather the staff had in its mind the time that was necessary with regard to getting projects planned and underway and executed. I might call your attention to the fact that the Hollywood Freeway, according to the information we have, the right of way of that have largely been acquired, plans drawn, the

money is available, that it is a federal aid project, and there is the difficulty of getting some 30,000 people off the right of way because those people can't find a place to go, and that is true to a certain extent in the Santa Ana Freeway, which is actually under construction. In other words, I suppose the technical staff had in mind some of these things—these physical factors resulting in the reconversion period following this great war, out of which we have just emerged, in recommending that the accelerated program not start until July 1, 1949.

ASSEMBLYMAN KIRKWOOD: And the Senate stated in effect—or rather, at least Senate Bill No. 5—to a certain extent the Governor in his recommendation is abandoning the idea of waiting for the acceleration and isn't this discussion or their discussion centered on the idea that we are going to start on this program now, rather than to have this, what the Kennedy Report refers to, as an interim period—in other words, pulling it down instead of starting in 1950, start it in 1948?

MR. PEARCE: In that respect, the Collier committee, if you will refer to their specific recommendations, you will note this fact: It has disregarded the advice of the technical staff and has urged that there be a degree of acceleration. The Governor's budget, which is also referred to in your pamphlet, anticipates that there will be a greatly accelerated highway construction program despite the fact that they may have very considerable difficulty in executing those plans for the obvious reasons that we have already cited.

ASSEMBLYMAN KIRKWOOD: That's right, what I was getting at, and I am asking this again in inquiry. Mr. Gilman was saying that this pamphlet went out to people who had information before them in the form of articles and papers and so on on both sides of the question, actually the information that is favorable to the program, and that it was talked that we could have this program commencing in 1948 and not in 1950, isn't that more or less true?

MR. PEARCE: Again, Mr. Kirkwood, that is a relative term. I am not sure that there is any common agreement concerning the date on which the program, as such, can be started. Highway construction is a continued process. It has been going on now for 35 years in this State by the State Division of Highways and from day to day they are receiving revenue. During the war they were unable to spend money as rapidly as it came in. Now they have this great backlog and it may be some time before they can accelerate their construction program. Now, the exact date of that acceleration is so difficult that you can't put it on your fingers, and I don't think the State Division of Highways could say just how fast they can spend it in the next 12 months. Now, we know for a fact that the first year of the 14-year program that the technical staff of the Collier committee indicated the estimated expenditure of some $85,000,000, and actually there was expended in this year, which ended last June 30th, approximately $42,000,000. Now, I assume when the technical staff was making its examination of the roads, it received the assistance of the Department of Highways that that was the amount of money they could spend in that period of time. The period of time is passed and we know that the division under-shot the mark and was unable to carry out that program, and again in the future they may have that same difficulty when they attempt this acceleration.

ASSEMBLYMAN KIRKWOOD: Now as I understand it, from the testimony that we have had before us from the Division of Highways under Senate Bill No. 5, the tax structure they set up there would be available for new construction approximately $90,000,000 a year, and further in their opinion, it can be let out in the way of projects in 40-50. Now, that would increase automatically the estimate of $633,000,000 by $80,000,000? In other words, they are talking about a program of $80,000,000 herein, and you are talking about a program of less than this that is being currently discussed in the papers, which come in this pamphlet with that figure, isn't that true?

MR. PEARCE: If you cast aside the recommendation of the Collier committee staff and the figure contained in the Governor's budget, it would be true that there would be naturally a greatly accelerated program. The program itself is more—much more greatly accelerated than has been indicated in either of these two sets of figures that we have used.

ASSEMBLYMAN KIRKWOOD: I think that answers my questions.

CHAIRMAN HOLLIBAUGH: Mr. Collins. George D. Collins.

ASSEMBLYMAN GEDDES: As a member of the committee, do we contemplate holding a meeting early in the morning? I heard you were going to call the meeting at 9 o'clock. I have no desire—

CHAIRMAN HOLLIBAUGH: Yes, there is an executive meeting in the committee room.

ASSEMBLYMAN GEDDES: Thank you, sir.

CHAIRMAN HOLLIBAUGH: Were you advised?

ASSEMBLYMAN GEDDES: I had not been so advised. I heard—I have a very acute grapevine.

CHAIRMAN HOLLIBAUGH: You were to be officially informed.

ASSEMBLYMAN GEDDES: I had no such information.

CHAIRMAN HOLLIBAUGH: Sorry, Mr. Geddes, there was no intention to slight you, I assure you. Mr. Collins would like to ask some questions, Mr. Pearce.

ASSEMBLYMAN GEORGE COLLINS: Mr. Pearce, I understood you to say, and I haven't any doubt but that I understood you correctly, that you, that is, your organization is against the increase in the gas tax, is that right?

MR. PEARCE: We qualified it by adding the word "now."

ASSEMBLYMAN GEORGE COLLINS: "Now." And I suppose you believe that it wouldn't be beneficial to your organization to increase it at the present time, is that correct?.

MR. PEARCE: The benefits of an increase in the gasoline tax would accrue primarily to the users of the highways, the oil industry is in the business of selling motor vehicle fuel.

ASSEMBLYMAN GEORGE COLLINS: That is—in other words, you wouldn't pay the tax anyway, the users of the automobile fuel that you sell would pay it, is that correct?

MR. PEARCE: All taxes paid by corporations have to be passed on to individual citizens in the case of taxes imposed, and it is necessary to pass it on to the buyer of the products, if they are not, they have to be absorbed out of the money of the business, which means that taxes become a capital levy, and eventually the business goes out of existence, so the answer to your question is, Mr. Collins, that under normal economic con-

ditions the gasoline tax is passed on to the consumer, which in this case is the motoring public.

ASSEMBLYMAN GEORGE COLLINS: Well, the consumer, as far as the gas tax is concerned, has practically paid it right along and there isn't any question of passing it on—just like the sales tax?

MR. PEARCE: The vendor has to operate at a profit, the presumption is that the taxes he pays on transactions in which he engages are passed on as a part of the cost of doing business, so therefore the answer is that the tax under normal conditions is passed on to the motoring public, and they constitute our best customer, and we have, of course, Mr. Collins, we are inclined not to stand by and have a tax imposed on our best customers until it is demonstrated that that tax is necessary, in order to provide an adequate highway system for the motoring public to use.

ASSEMBLYMAN GEORGE COLLINS: In other words, you are looking after the interest of your customer, and not your own interests.

MR. PEARCE: We believe that it is good public relations.

ASSEMBLYMAN GEORGE COLLINS: Now, do you know what other states, for instance, isn't it a fact that Missouri is the only state that has a tax less than California and that many others have taxes more than California?

MR. PEARCE: Missouri, according to the information I have at hand, and I assume no recent change has been made, has a 2 cent gasoline tax, then there are eight or nine other states that have a gasoline tax of 3 cents a gallon which includes California. The rest of the states have taxes greater than 3 cents, some ranging as high as 7½ cents a gallon, but also, almost without exception, those states use a substantial part of the revenue from those taxes for other than highway purposes They use the revenue for schools and general government, and other functions not related to highway construction or administration.

ASSEMBLYMAN GEORGE COLLINS: In other words, here in California and in some other states, the tax that we collect, we collect really for a purpose, which is beneficial to the oil industry—that is, good roads?

MR. PEARCE: That is right.

ASSEMBLYMAN GEORGE COLLINS: And in some other states where they collect the tax they use it for other purposes and still it is collected on oil?

MR. PEARCE: That is right.

ASSEMBLYMAN GEORGE COLLINS: In taxes?

MR. PEARCE: That is right.

ASSEMBLYMAN GEORGE COLLINS: And in the State of Texas at the present time, over 50 percent of their total taxes comes from petroleum products, does it not?

MR. PEARCE: I am not familiar with the fiscal set-up in the State of Texas, so I cannot answer that question.

ASSEMBLYMAN GEORGE COLLINS: Well, they have there a severance tax and they also have a gas tax of 4 cents and I can tell you that it brings in over 50 percent of the total taxes. Now, are your gasoline prices any more expensive in the State of Texas than they are in the State of California?

MR. PEARCE: The price of gasoline is determined by economic factors. In the case of Texas, you may have a different factor of cost in regard to a product which would have a bearing on the retail price of that product. There may also be a factor of transportation cost and a number

of other times of that character, so that it is difficult to make an exact comparison between the price of such oils in the State of Texas and that of California.

ASSEMBLYMAN GEORGE COLLINS: But you can make a substantial comparison even though you can't make an exact comparison.

MR. PEARCE: Well, I don't happen to know off-hand the price of gasoline in Texas—as a matter of fact, I couldn't tell you off-hand the price of gasoline in different communities in California because of freight differential. It varies from one community to another community, from the transportation from the point where it is produced to the point where it is sold.

ASSEMBLYMAN GEORGE COLLINS: Do you know what the general average of first-grade gasoline is in California in cost?

MR. PEARCE: Well, in the City of Los Angeles, the retail price of gasoline at the present time is 15 cents a gallon, onto that there is added a state tax of 3 cents, and a federal tax of 1½ cents, making a total of 19½ cents a gallon.

ASSEMBLYMAN GEORGE COLLINS: That is for first-grade gasoline?

MR. PEARCE: Now ethyl gasoline is selling for 2 cents a gallon more than that, the tax is the same in both cases.

ASSEMBLYMAN GEORGE COLLINS: Now, in view of the fact that the price is 15 cents in Los Angeles, do you know what it would be—well, say in Sacramento?

MR. PEARCE: I don't know off-hand, because I don't live here and I haven't looked that figure up recently, but presumably the price of gasoline should be a little more here than it should be in Los Angeles or San Francisco.

ASSEMBLYMAN GEORGE COLLINS: Well, do—now, take the price of gasoline in Texas I have a statement here from the Controller of Public Accounts and he states that including the tax of 4 cents, the price of first-grade gasoline in the State of Texas, and he doesn't differentiate at all, is 22 cents, and a severance tax is paid there in addition to the gas tax.

MR. PEARCE: It is my understanding that the severance tax in the State of Texas is in lieu of at least a part, if not all of the property taxes that would be imposed upon oil producing property, so therefore, it would be difficult for me to compare the price structure of the gasoline sold in the State of Texas.

ASSEMBLYMAN GEORGE COLLINS: You don't—in other words you don't—

MR. PEARCE: We have no information on that, Mr. Collins, our association represents the California oil industries insofar as it is produced in California, and marketed in the Western States, and our company, so far as I know, do not market in Texas There may be an exception to that in case of some products, but the most of the products of our companies is confined to the five Western States.

ASSEMBLYMAN GEORGE COLLINS: Any of the gasoline used imported or is it all locally produced?

MR. PEARCE: Practically all of it is produced locally. In other words, the gasoline that you buy in California markets is produced in California The amount of imported gasoline, or rather crude oil, would

be refined in this State is practically negligible. The California companies, have, of course, producing facilities in other parts of the world, but they sell in all parts of the world, and because of freight and other matters there is very little importation of oil from distant lands.

ASSEMBLYMAN GEORGE COLLINS: Do you know how much is shipped out of California of that produced in California?

MR. PEARCE: We have records showing that in our business, but because of the very large population of the State of California, and the large number of motor vehicles registered here, the very large percentage of the California production is sold right here in the State of California. These companies sell in Oregon, Washington, Idaho, Utah, Nevada, Arizona, and certain parts of New Mexico, but we don't get over very far in that part of the country because they interfere with the products entering from Texas and Oklahoma, and the freight differential makes it difficult if not impossible for them to compete.

ASSEMBLYMAN GEORGE COLLINS: But they do sell to other Coast States, to Alaska, to Hawaii, and to the Canal Zone, and to the Far East?

MR. PEARCE: That is true. Well, I think—I don't have these figures, but there is a limit about going to the Far East, and there is some, of course, about going to Alaska and territorial possessions.

ASSEMBLYMAN GEORGE COLLINS: Do you know how much Japan took before the war?

MR. PEARCE: Well—

CHAIRMAN HOLLIBAUGH: Pardon me, we are kind of getting away from the highway problem, are we not?

ASSEMBLYMAN GEORGE COLLINS: Not at all. I think it is very relevant to it, because the gentleman professed an interest in holding down the tax, and I am talking about production and taxes now, and not going into the matter of highways He says he is against having any further taxes.

CHAIRMAN HOLLIBAUGH: What bearing to it has the sale of gasoline in Japan and the sale of it in California?

ASSEMBLYMAN GEORGE COLLINS: It is a very relevant thing to the sale of gasoline here in California, and that is assuming that 25 percent of our total production went to Japan and not 1 cent of taxes was paid by the state of Japan—or nation of Japan, while in California the taxpayer and inhabitants of the State was paying 3 cents a gallon on gasoline. I think that is a very relevant matter and I think something should be done to reach these people that are not even citizens of California, so far as the taxes are concerned, and in that way spread the base and reduce the amount that the California taxpayer will pay. Don't you think that is relevant?

CHAIRMAN HOLLIBAUGH: Taxes for a highway purpose?

ASSEMBLYMAN GEORGE COLLINS: Sure, used for the highway purposes, and when you spread the base, naturally you cut down the amount of taxes, isn't that true?

CHAIRMAN HOLLIBAUGH: Well, I believe it is contrary to some law to place state taxes on export goods, Mr. Collins.

ASSEMBLYMAN GEORGE COLLINS: You can reach it in another way.

CHAIRMAN HOLLIBAUGH: Go ahead.

ASSEMBLYMAN GEORGE COLLINS: I am attempting to ask the gentleman, do you know whether 25 percent of all total production was sent to Japan prior to the war?

MR. PEARCE: For your information, Mr. Collins, the matter of export of a commodity of that nature is regulated by the State Department. The oil companies refused to sell to Japan before the outbreak of the war. We might say that oil industries have been inviting foreign countries to war against it. The United States State Department had jurisdiction over this exporting and the matter was beyond the control of the California oil industry.

ASSEMBLYMAN GEORGE COLLINS: I am not criticizing the fact that you sent it to Japan. I am merely asking you what amount was sent to Japan, and if it was sent to Japan, what taxes the State of California, or people of California got from that?

MR. PEARCE: The taxes that the State of California as a political subdivision derives from export sale at the sources in such forms as property taxes. Now, the oil industry pays millions and millions in property taxes to the support of local government, that has to be included in the cost of production, presumably a pro-rata share that is carried in the sale of exported commodities, therefore the buyer of those exported commodities would be contributing to the support of the government in the State of California, but in the case of motor vehicle fuel taxes, pursuant to our Constitution, it is earmarked for the use of highways. The tax is limited to the users of that highway, as measured by their purchases of motor vehicle fuel.

ASSEMBLYMAN GEORGE COLLINS: So nobody outside of the State of California is subject to that tax, but they would be subject to a severance tax, wouldn't they?

MR. PEARCE: Not subject to the motor vehicle fuel tax, because the law is enacted by the Legislature that expressly prohibits taxes from export sales.

ASSEMBLYMAN GEORGE COLLINS: Well, they have to do that because they couldn't do otherwise under the Constitution of the United States, but I am asking you now, whether it couldn't be reached by a severance tax instead of a gas tax?

MR. PEARCE: It would depend upon the price schedule of the export commodity, if those commodities were sold on a higher price schedule, than those sold domestically. Like if the tax is paid domestically, if the tax is varied in the cost of doing business, it would presumably be added in the price of the commodity exported, but it is difficult to estimate how much that would be and just what effect that would be. It is too involved to discuss at this time without having more factful information at hand that we do not now possess at this moment.

ASSEMBLYMAN GEORGE COLLINS: Do you think you could get that information for us?

MR. PEARCE: It is possible that that information could be developed. It may be that the records of the individual oil companies are so constructed that it would be impossible to segregate that kind of information. It might be of interest to you to know that there are over 1,000 oil producers in the State of California, and while the number of marketing companies, of course, is much smaller than that, it would still be difficult to compile anything of that character.

ASSEMBLYMAN GEORGE COLLINS: I am going to try to wind this up quickly now—in 1938 and I think it is the last report made, the Department of the Interior made an examination in the various states of the differential between the production price and the sale price of gasoline—not gasoline, but oil, petroleum—and in California the differential showed it to be 32 cents a barrel. In Texas, the nearest other statement approaching California, it was 23 cents a barrel, and in many of the other states it was much less. Is there any later reports than that?

MR. PEARCE: It is possible that more recent information is available, but I am not cognizant of that fact. I might call your attention, Mr. Collins, to the fact that the price of crude varies in California according to the specific gravity of the crude and the price of the crude produced in California is of different quality than that produced in other parts of the United States, so that it is very difficult to make comparisons between the cost of production and the volume of production price because of that common denominator that is absent.

ASSEMBLYMAN GEORGE COLLINS: Well, the Department of the Interior attempted to use a common denominator, and they used those figures. Now, one other question: You stated about the prices after a war soaring to new heights, and then going down later on gradual planes. Have those prices ever returned to prewar prices?

MR. PEARCE: No. I might say as the best example, the history of the first World War, as a result of that great conflict there was a very serious dislocation of our credit structure, so that before—I mean after the war we did not return to the 1913 dollar of buying power. In other words, the 1913 dollar went up to a peak, which was reached in June, 1920, and then there was a very precipitous decline in the wholesale commodities, which meant an increase in the buying power of the dollar, and it leveled off at a plateau at a price somewhat higher than the prewar level. It is the opinion of economists that a similar pattern will be followed in the period in which we now find ourselves, that we will not return to the level that we were on before the war. It is the policy of the Federal Government to maintain a high level of national income, which, at the present time, is between one hundred and fifty and one hundred and sixty billion dollars a year, compared with $76,000,000,000 in 1940, in order to maintain a high revenue yield in support of the federal budget, which in turn is necessary. Therefore, it stands to reason that the postwar level will have to be a higher level than that existing before the war.

CHAIRMAN HOLLIBAUGH: Pardon me for interrupting, Mr. Pearce. I didn't mean to cut you off that way George, for—

ASSEMBLYMAN GEORGE COLLINS: That was my last question.

CHAIRMAN HOLLIBAUGH: I am sorry, but I think we had better adjourn, it is 6 o'clock.

(The meeting was thereupon adjourned).

REPORTER'S CERTIFICATE

This is to certify that I, Harold Krabbenhoft, a stenograph reporter, was present at the time and place the foregoing proceedings were had and taken before Assemblyman Hollibaugh, Chairman of the Assembly Committee on Revenue and Taxation, in the Assembly Chamber of the State Capitol at Sacramento, California, on Tuesday, March 11, 1947, and that as such stenograph reporter did report the aforesaid proceed-

ings on the stenograph machine, and afterwards caused said stenograph notes to be reduced to longhand typewriting, and the foregoing proceedings beginning at the top of page 1, to and including line 6 of page 124 hereof constitutes a full, true, complete, and accurate transcription of the aforesaid proceedings.

Dated this twenty-second day of March, 1947.

GRAESER REPORTERS,
HAROLD KRABBENHOFT, Reporter.

REQUEST FOR UNANIMOUS CONSENT THAT MEMORANDUM BE PRINTED IN THE JOURNAL

Mr. Ralph C. Dills asked for, and was granted, unanimous consent that the following memorandum from the Division of Highways be ordered printed in the Journal, at the conclusion of the printing of Transcript No. 7.

MEMORANDUM FROM THE DIVISION OF HIGHWAYS TO ASSEMBLYMAN RALPH C. DILLS

March 20, 1947

There is in the ½-cent fund for state highways approximately $5,500,000 of unprogrammed money; that is, there is this amount of money which has not been covered by project agreement between the city and the State.

The corresponding figure for ½-cent fund for city streets is not available today but will be tomorrow. It in any event will be less than $5,000,000.

ANNOUNCEMENT OF COMMITTEE MEETINGS

It was announced that the following committee would hold a meeting:

Upon adjournment—

Revenue and Taxation.

ADJOURNMENT

At 3 20 p.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11 30 a.m., Tuesday, March 25, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE

FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

THIRTY-FIFTH LEGISLATIVE DAY

SEVENTY-SECOND CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO

Tuesday, March 25, 1947

The Assembly met at 11.30 a.m.

Hon Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names.

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D Collins, Conrad, Cooke, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—78.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

Look down, O Lord, we beseech Thee, in merciful favor upon the fasts of Thy people; that those who abstain from food in body may fast from vice in mind, through Christ Our Lord—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Rosenthal, further reading of the Journal of the previous legislative day was dispensed with.

REPORTS OF STANDING COMMITTEES

Committee on Revenue and Taxation

ASSEMBLY CHAMBER, SACRAMENTO, March 25, 1947

MR. SPEAKER: Your Committee on Revenue and Taxation, to which was referred:

Assembly Bill No. 43

Has had the same under consideration, and reports the same back with the recommendation: Do pass.

HOLLIBAUGH, Chairman

Above reported bill ordered to second reading.

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, March 25, 1947

MR SPEAKER: Your Committee on Legislative Procedure has examined:

Assembly Bill No. 37

And reports the same correctly engrossed.

WEBER, Chairman

Above reported bill ordered to third reading.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, March 24, 1947

MR SPEAKER I am directed to inform your honorable body that the Senate on this day passed:

Senate Bill No 15

J. A. BEEK, Secretary of the Senate
By C V. TAYLOR, Assistant Secretary

FIRST READING AND REFERENCE OF SENATE BILLS

The following bill was read the first time:

Senate Bill No. 15—An act to amend Sections 7401, 8101, 8102, and 8103 of, and to add Section 8103.5 to, the Revenue and Taxation Code, relating to motor vehicle fuel license taxes.

Referred to Committee on Revenue and Taxation.

REQUEST FOR UNANIMOUS CONSENT THAT SPECIAL ORDER OF BUSINESS BE CONTINUED

Messrs. Debs, Burns, and Wollenberg asked for, and were granted, unanimous consent that the special order of business on Senate Bill No. 5, set for Wednesday, March 26, 1947, at 2 p.m., be continued until Thursday, March 27, 1947, at 2 p.m.

REQUEST FOR UNANIMOUS CONSENT THAT MEMBERS BE EXCUSED ON WEDNESDAY, MARCH 26TH

Mr. Debs asked for, and was granted, unanimous consent that he and Messrs McMillan, Dunn, Waters, and Crichton be excused on Wednesday, March 26th, for the legislative day, for the purpose of attending a meeting in Salem, Oregon, which is to be attended by the Joint Interim Committee on Aviation, and by Members in the State Legislatures of Washington, and Oregon.

MEMBERS EXCUSED TO ATTEND MEETING

At 11.46 a.m., Mr. Field asked for, and was granted, unanimous consent that the members of the Committee on Governmental Efficiency and Economy be excused, at this time, for the purpose of holding a meeting in the post office.

NOTICE OF MOTION TO RECONSIDER ASSEMBLY BILL NO. 26 CONTINUED

Mr. Wollenberg asked for, and was granted, unanimous consent that his notice of motion to reconsider Assembly Bill No. 26 be continued until the next legislative day.

ADJOURNMENT

At 11.50 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11 30 a.m., Wednesday, March 26, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

THIRTY-SIXTH LEGISLATIVE DAY
SEVENTY-THIRD CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Wednesday, March 26, 1947

The Assembly met at 11.30 a.m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Clarke, Collier, George D. Collins, Conrad, Cooke, Crowley, Lester T. Davis, M. Philip Davis, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Lowrey, Luckel, Lyons, Maloney, McCollister, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Weber, Wollenberg, and Mr. Speaker—71.

Quorum present.

PRAYER

Upon request of the Speaker, the following prayer was offered by Assemblyman Walter Hinton:

Our Father, once more we come into Thy Presence feeling a deep sense of responsibility as representatives of the people of our State. Grant that we may remain steadfast in the cause of human rights and liberties of law and order and true Americanism. Above all keep us forever firm in righteousness, humble of heart, and unselfish in purpose, in Thy name we pray—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Knight, further reading of the Journal of the previous legislative day was dispensed with.

REPORTS OF STANDING COMMITTEES

Committee on Rules

ASSEMBLY CHAMBER, SACRAMENTO, March 26, 1947

MR. SPEAKER: Your Committee on Rules, to which was referred:

Senate Joint Resolution No. 2

Has had the same under consideration, and reports the same back with the recommendation: Be adopted.

DICKEY, *Chairman*

Above reported resolution ordered on file for adoption.

CONSIDERATION OF DAILY FILE
SECOND READING OF ASSEMBLY BILLS

Assembly Bill No. 43—An act to amend Sections 143, 148, 179, and 181 of the Vehicle Code, and to amend Section 7102 of, and add Section 6460 and 7053 5 to, the Revenue and Taxation Code, relating to the application of the sales and use taxes to motor vehicles and the disposition of proceeds therefrom.

Bill read second time, and ordered engrossed.

NOTICE OF MOTION TO RECONSIDER ASSEMBLY BILL NO. 26 CONTINUED

Mr. Wollenberg asked for, and was granted, unanimous consent that his notice of motion to reconsider Assembly Bill No. 26 be continued until the next legislative day.

RE-REFERENCE OF BILLS

By order of the Speaker, the following bill was withdrawn from the file, and re-referred as follows:

Assembly Bill No. 37 re-referred to Committee on Ways and Means.

CONSIDERATION OF DAILY FILE (RESUMED)
THIRD READING OF ASSEMBLY BILLS

Assembly Joint Resolution No. 4—Relative to memorializing the Congress to give favorable consideration in making budgetary studies, to assuring the maintenance of an adequate naval force and establishment.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Allen, Anderson, Beck, Bennett, Berry, Blosser, Brown, Burke, Burns, Clarke, Collier, George D Collins, Conrad, Cooke, Crowley, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Erwin, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Lowrey, Luckel, Lyons, Maloney, McCollister, Niehouse, Price, Robertson, Rosenthal, Sillman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Wollenberg, and Mr. Speaker—57.

NOES—None.

Resolution ordered transmitted to the Senate.

REQUEST FOR UNANIMOUS CONSENT THAT NEWSPAPER EXCERPT BE PRINTED IN THE JOURNAL

Mr. Ralph C. Dills asked for, and was granted, unanimous consent that the following newspaper excerpt be ordered printed in the Journal:

Newspaper Excerpt From the San Francisco Chronicle, January 13, 1943, Page 6, Column 5

A Curb on Lobbying

Warren Checks Activities of State Employees

SACRAMENTO, January 12—Governor Warren cracked down today against lobbying activities of state employees and also issued an order to stop the willy-nilly introduction of countless bills by various state departments under his control.

Warren issued an order to the heads of all departments, appointed by the Governor, other than boards and commissions, which are policy-making, that all bills affecting each department must first be submitted to the chief executive's office before introduction in the Legislature.

"All departments," said Warren, "have been notified not to sponsor legislation until such matters have been cleared through my office. I do that to insure that bills from one department and another will not be in conflict with one another and will be consistent with administration policies I also want to make certain that all bills are in the public interest as distinguished from private interest."

The Governor said he felt "there has been altogether too much lobbying by department heads in the past." He declared it "was proper for department heads to appear before legislative committees to explain or even urge legislation. I believe, however, there should be less lobbying by employees of the State and I will see that there is less lobbying."

The days of "dragging legislators" into the corridors to try and force them to vote for administration bills is over, the Governor said.

Point of Order

Mr. Beck arose to the following point of order: That there is nothing before the House.

Ruling by Speaker

Speaker Collins ruled Mr. Beck's point of order well taken.

COMMENDATIONS ON MANNER IN WHICH OPEN HEARINGS HAVE BEEN CONDUCTED

Messrs. Cooke and Evans, by unanimous consent, extended commendations to Mr. Ogg, the Sergeant-at-Arms; Mr. Maloney; Mrs. Niehouse; and the Capitol Police, upon the orderly and efficient manner in which the several recent hearings which have been held in the Assembly Chamber have been conducted, and upon the fine way in which great numbers of visitors have been handled.

REQUEST FOR UNANIMOUS CONSENT THAT EIGHTH TRANSCRIPT RELATIVE TO STATE HIGHWAY SYSTEM BE ORDERED PRINTED IN JOURNAL

Mr. Hollibaugh asked for, and was granted, unanimous consent that the following eighth transcript, taken at a hearing before the Committee on Revenue and Taxation, on the California State Highway System, be ordered printed in the Journal, in 10-point type:

HEARING BEFORE THE COMMITTEE ON REVENUE AND TAXATION ON THE CALIFORNIA STATE HIGHWAY SYSTEM

VOLUME VII

Assembly Chamber, State Capitol
Sacramento, California

Wednesday, March 12, 1947, 2 p.m.

CHAIRMAN HOLLIBAUGH: I will call the roll of the Members of the Assembly Revenue and Taxation Committee.

(Thereupon roll call was had.)

There are 11 here. There is a quorum present.

For the benefit of those present who haven't attended before, this is a meeting of the Assembly Revenue and Taxation Committee, considering highway bills under the Special Session. Bills under consideration are Assembly Bill No. 1, creating a Highway Users Fund; Assembly Bill No. 2, administration of the Highway System; Assembly Bill No. 6, gas tax raised from three cents to six cents; Assembly Bill No. 7, use fuel tax; Assembly Bill No. 8, transportation and weight tax; Assembly Bill No 12, the exemptions from fuel taxes. Because Senate Bill No. 5 in the past has received so much publicity and masses all of the subjects included in these bills I have just enumerated, we have permitted questioning on Senate Bill No. 5, but today Senate Bill No. 5 is actually in the possession of the committee. That will be included on the list.

Procedure has been to permit those we have invited to present their recommendations, to make their complete statement, and after they have completed, the members of the committee may question them. After the members of the committee have asked their questions, any Member of the Legislature may question these speakers.

Before we call the first person, I wish to announce that a few days ago Mr. Lampton, Director of the Motor Vehicle Department, appeared before this committee and was asked to submit copies of his statement, and I now have them in my possession, and they will be passed out to members of the committee, and there are a few left over. If someone else cares to have them, they may.

ASSEMBLYMAN KNIGHT: May I ask for a point of information, as to when we will consider Senate Bill No. 5, which was assigned to this committee this morning?

CHAIRMAN HOLLIBAUGH: For the past 10 days in order to familiarize the members of the committee and Assembly with all the phases of this question, we have had the representatives of all the organizations throughout the State who wished to come before us and express their views on these matters. It was planned at the completion of these hear-

ings, which should be in the next two days, for the committee to go into executive session and then determine which bills that they would actually hear and pass upon. That will be done at the completion of these hearings.

ASSEMBLYMAN KNIGHT: Does that include the consideration of Senate Bill No. 5 at that session?

CHAIRMAN HOLLIBAUGH: It does, and if the committee so desires, Senate Bill No. 5 will be taken up.

I have a letter here that I read to the committee this morning in executive session and I would like to present it to the reporter to have it placed in the transcript.

(Two documents were thereupon handed to the reporter.)

(The following two letters, above referred to, are hereby made a part of this transcript, as follows:)

(On the letterhead of Jonathan J. Hollibaugh, Chairman, Assembly Committee on Revenue and Taxation.)

"February 22, 1947

Hon. Michael J. Burns
1644 Summer Street
Eureka, California

MY DEAR MIKE: Have been talking to Sam Collins about the work in the coming special session and he feels that we should start committee hearings right away as we will have only two weeks to get the bills out of the way before the Regular Session starts.

Consequently, I am notifying quite a number of interested people that we will commence hearings on Tuesday, March 4th, at 2 p.m. In the meantime, if there is anyone you care to advise you can do so, and also decide if there are any particular bills you want some action on at first. However, Sam seemed to think it a good idea to have general hearings on all of the taxation bills at one time and then decide after all of the testimony is in which bills and when you want to take any action on them. That, of course, is up to you as they are your bills and I will hear any or all at any time you desire.

I am not leaving here until Sunday a.m., so if you have any objections or suggestions you can get in touch with me. If not, I will see you Sunday night or Monday morning, so good luck to you till then. Hope you have been well in the meantime.

Regards,"

(The second letter handed to reporter is as follows:)

"HUNT FOODS, INC.
Hayward, California

February 27, 1947

Hon. Francis Dunn, Jr.
The State Assembly, District 13
1634 69th Avenue
Oakland, California

MY DEAR MR. DUNN: In the attached we have attempted to answer the questions you asked. Very careful thought and consideration have been given, and the figures we quote have been carefully compiled. In

addition to the specific answers to the questions, we also included a statement generally bearing upon the three questions you have asked.

Very truly yours,
(Signed) ALBERT L. WALTERS
Director Industrial Relations"

(The statement referred to in the above letter is incorporated as follows:)

"The Effect of the Proposed Legislation for Increasing California Truck Fees and Gasoline Taxes.

"1. What will be the general impact of the proposed legislation for increasing truck fees and gasoline taxes on the food processing industry?

"We do not as yet have the tonnage figures for 1946. The following figures are therefore for 1945. 1946 figures probably double 1945's.

"Under the proposed legislation the increase in the cost of handling frozen foods, inbound 187,500 tons, outbound 107,500 tons, would amount to $53,605.

"Dried foods, inbound and outbound 1,297,200 tons, would be increased by $225,190.

"Canned goods, inbound and outbound 4,281,810 tons, increase would amount to approximately $763,000.

"Preserves, 55,000 tons inbound and outbound, would be increased $9,500. The total amounts to $1,051,000.

"Time has not permitted us to carry this computation further in order that we might include the handling of supplies necessary to the canning of agricultural products, such as sugar, spices, containers, fiber and wooden boxes, etc., etc. It is therefore conceivable that the proposed increase for handling tonnage alone in the food processing industry of California might well be $2,000,000 up. Add to this the increased gasoline tax, and it would seem to us that a safe estimate would amount to $5,000,000 additional tax upon the food processors of California. In this connection, please note what we have to say in the supplement after the specific answers to the questions.

"2. How would it affect the growers?

"If the growers are unable to pass this increased transportation expense on to the food processors and to the consumers of raw commodities, then agriculture will be obliged to absorb the additional tax which will reduce the agricultural income and reduce the buying power of agricultural producers.

"3. How will it affect the prices of the commodities?

"It will increase the price of commodities because increased cost must of necessity be passed on to the consumer.

SUPPLEMENT

"Irrespective of any consideration, increased costs must be and will be passed on to the consumer. Because of higher wages paid in the food processing industries in California as compared with wages paid by canners in the Southwest, Middle West and East, California canned goods are already in a most unfavorable competitive position. This means less California goods will be sold in the heavily populated eastern market. We must be able to compete notwithstanding the long haul from

here to the eastern seaboard. When we cannot compete in prices, California loses the market. When this occurs as it is at the present time with hundreds of thousands of California canned products in eastern warehouses, it means a much smaller pack of California products the following year. It is no secret to say that the 1947 pack must of necessity be much less than it was in 1946, and if hauling of the products to market and to the canneries is increased by gasoline taxes, or tonnage taxes or anything else, it means a further reduction in the pack of California agricultural products. This will result in the loss of work for California labor, and it will result in much less income for California agriculture. This then means that many consumers pay for it in a manifold way: Increased taxes on the automobile they operated which has long since ceased to be a luxury, and in loss of income.

"This is no time for increased taxes however worthwhile the ultimate objective may be. This is no time for increasing anything that enters into the cost of living.

"A great deal has been written with reference to the ability or inability of trucking companies to pay this additional heavy tax. No one representing his constituency in Sacramento can believe that these taxes will not be passed on. While we are not in the trucking business, we have had occasion recently to observe that at the present time some 500 men, who normally drive trucks at this season of the year in California, can be found every day at the Teamsters Local 70 on West Street in Oakland out of work.

"A survey of the movement of canned and many other commodities from retail stores to consumers will show that the public is not buying at current prices. The cost of living must be reduced. Congress recognizes the imperative need of reducing government costs and taxes, but California proposes new and heavy taxes on every citizen for a highway program, the major portion of which it is conceded will not be completed for ten years.

"No one questions the desirability of better and more adequate highways, but had the war continued we would have found it necessary to get along without making any changes for a few years longer. Therefore, we believe that we should now hold up this long-term highway program for one or two years at least while the people are adjusting themselves, and under present curtailed take-home pay of laborers and others try to pay the already unbearable tax load.

"I believe that a current survey in the State of Texas where the population is much less than that in California and where the highways stretch for hundreds of miles through sparsely populated areas that the highways are as good as and comparable to those of California. However, in California we have sales tax, income tax, higher gasoline taxes; and now it is proposed that the gasoline and license operation taxes be practically doubled; and it would not to us and it does not to the many people we are discussing this with daily make sense.

"We are undoubtedly facing a depression in this Country never equaled heretofore. Putting our head in the sand and ignoring it as was the case prior to the depression of the early 30's is not going to make it any the less severe. What we need to do as citizens is to be resisting everything that will increase the cost of living. California can get along a few years more without levying on the people this new and heavy tax burden

for roads that are not to be even undertaken before 10 or 15 years from now.

"So, the general impact can well be the straw that breaks the camel's back and bring economic chaos to the food processing and agricultural interests of the State of California. This impact will reach into every man's pocketbook in increased ratio to the proposed increase in taxes on transportation and gasoline.

Respectfully submitted.

(Signed) ALBERT L. WALTERS"

CHAIRMAN HOLLIBAUGH: The first organization that we will hear from today is the Automobile Club of Southern California, Mr. Allen Davis on the highway problems. Mr. Davis, will you take the microphone down here?

MR. ALLEN DAVIS (General Counsel, Automobile Club of Southern California): Mr. Chairman, members of the committee. My remarks will be directed to the general State Highway Program, and my remarks will be directed specifically to Senate Bill No. 5.

My name is Allen Davis. I am General Counsel of the Automobile Club of Southern California. I am speaking on behalf of that organization and not any other organization.

By way of preface, may I say that during many years the Automobile Club of Southern California opposed any increase in the state gasoline tax and other motor vehicle taxes. It is true that the automobile club supported the original 2-cent gasoline tax in 1923, and likewise, supported the additional 1-cent levy in 1927. Thereafter, during several legislative sessions measures were introduced to further increase the rate of gasoline tax. Both the Automobile Club of Southern California and the California State Automobile Association were active in opposition to such increase in highway user's taxes.

However, about the beginning of this decade, that is, along about the years 1940, 1941, it became apparent that the revenues available for state highway purposes were inadequate to meet increasing traffic demands. This was due in part to the fact that the State Highway System had been enlarged, particularly by the addition of 6,600 miles of county roads to the state system in 1933. The deficiency in the state highway funds was also due to the earmarking of 2¼ cents of gasoline tax for expenditure within cities, ¼ cent being for use on major city streets, and the other ¼ cent for use on state highways within cities.

Everyone recognized that very little could be done about this situation during the war period. However, during the year 1944, the officials of the Automobile Club of Southern California became convinced of the necessity of providing additional highway revenues for the State Highway System. Most extensive study was given to the highway problem by the California Major Highway Development Committee. You have been previously advised of the makeup of that committee.

Our organization was represented upon that committee by three representatives. It was my privilege and pleasure to serve as one of the members of that committee You will recognize that the California Major Highway Development Committee sponsored legislation two years ago, two bills which it introduced, one calling for establishment of a state and metropolitan expressway system. The other and companion measure

called for an increase of 1½ cents in the rate of gasoline tax. This Assembly approved the expressway measure, but the proposed increase in the gasoline tax was held in committee.

I mentioned the foregoing in order that you may be assured that the Automobile Club of Southern California, likewise, the California State Automobile Association, has endeavored to exercise every diligence to prevent excessive tax burdens upon the operators and owners of motor vehicles. If we said that the funds available for highways are adequate, we would not advocate any increase in taxes upon our members or the motoring public generally.

May I point out to you that the automobile club as an organization has nothing to win, nothing to gain, nothing to lose, whether you pass legislation or don't pass legislation. We are concerned solely and exclusively with whether or not there is need for additional financing and if so, what should be the extent of that financing, to what extent can the motoring public absorb an increase in the taxes, or what rate of taxation do we believe would be excessive.

We, therefore, approached the entire subject from, I believe, an objective point of view. We are not concerned with the spending of the money—by that I mean to say we do not spend the money. We are not concerned with collecting the money, we do not collect the money. We view the entire subject matter objectively. It is our belief that our highways today are wholly inadequate. To meet present and anticipated traffic requirements they will have to be more adequate. You have listened to many experts appearing before you and you may doubt the purposes or the facts or figures presented by some, but I will leave it to you as individuals as you travel the highways of this State, in your opinion, as members of the public, as motorists, are you convinced that your highways are adequate? I think you will conclude on the basis of your own observation that your highways are not adequate. You find many two-lane highways where there should be four-lane divided highways. You find many three-lane highways where it is utterly hazardous to overtake and pass in that middle lane, because of your view, you are apt to run headon into vehicles coming from the opposite direction. When in doubt as to the expert, rely upon your own judgment.

Believing as we do that there is need for, that our highways are inadequate, and in the absence of other available sources of revenue, the Board of Directors of the Automobile Club of Southern California has recommended legislation to provide for an expanded state-wide highway program to include a system of state and metropolitan expressways and to meet the critical deficiencies on other state highways, county roads and city streets as delineated in the Kennedy Engineering Report to the Collier committee.

We recognize that additional tax revenues will be necessary, and I shall name the specific amounts recommended in this discussion. A great deal of confusion has been created by exaggerated and misleading statements concerning the anticipated highway revenue that will be available during the next few years. What we are primarily concerned with is the amount of revenue that will be available for construction, reconstruction and other improvements in the immediate future.

The question has been repeatedly asked by members of your committee: What funds are now available, what funds will be available

during the next few months, and the following years, how much additional revenue do we need. We have examined the Collier Committee Reports, and the reports submitted to it by the staff members, namely, the Kennedy Committee Report, the Lindman Report, and various other reports. We have examined budgets of the Department of Public Works. Reference may be made here to the Governor's budget, so called, and including the highway budget for the coming fiscal year. I believe that it is important that you examine that budget and I have in mind calling your attention to certain provisions of that budget.

On pages 880 and 881 of the budget, we find set forth the summary of allocations for construction and improvement, of state highways. For the Fiscal Year 1947-48, that is. I shall not, of course, read all the details, I refer to these two pages only for a couple of purposes Now, I suggest that if you examine those pages that you will find that—I got the wrong page here—just a second.

You will find upon examining the budget that the State Department of Public Works required to set up all of the revenues that will be available to it during the coming year. The department then sets forth the proposed expenditures. I find a total here of $44,000,000. Out of the $44,000,000, the state department is first authorized to take what amount is necessary for administration of the department, then certain amounts are taken out for maintenance; after maintenance is taken out, I notice there is an apportionment of ¼ cent to the cities, amounting to $6,000,000. There is set up an item of $6,000,000 in respect to rights of way. Now, after those various amounts are taken out, we find that there is a fund amounting to $22,961,000 available for new construction purposes, and that includes reconstruction of present highways, and it is to that item that I would direct your particular attention. The proposed expenditure of the $22,961,000 is set forth on pages 882 and 883. You all have copies of that budget, I imagine, and I am referring to the data set forth on those pages. I have made extra copies of them if you wish to have them. I believe that if you will examine this budget you will find that it amply demonstrates the meager amount of highway improvement that can be accomplished with present state highway revenues.

This budget shows a total of only eight projects on northern primary highways, such projects comprising a total of 30.5 miles, involving the expenditure of slightly over $7,000,000. Two of these projects are in Mendocino County; one in Siskiyou County; one in Placer County, comprising 3.1 miles; a project in San Mateo County, comprising 1.8 miles; and one project in Fresno, Solano and Amador Counties, a total of 30.5 miles out of 2,231 miles of primary highways in the northern counties, it is proposed to improve and reconstruct only 30.5 miles.

The budget proposes expenditures on 12 projects upon northern secondary highways, such projects covering 21.7 miles, at a cost of $4,856,000. Now, it so happens there are 4,688 miles of secondary miles in the northern counties. Out of that total mileage it will be possible for the department during the coming year to undertake projects covering only 21.7 miles.

May I refer also to the proposed expenditures in the southern group of counties. Provision is made for only nine projects on primary highways in Southern California, such projects covering a total of 46.1 miles at a cost of approximately $7,599,000. Two of these projects are in San Bernardino County. There are three projects in Los Angeles County,

comprising 8.8 miles. One project is proposed in Tulare County, comprising a third of a mile.

A few other projects, one each in Kern, Imperial, San Bernardino, and Riverside, make up a total of 46 1 miles. Now, it so happens that in the south there are 1,870 miles of highways. During the next year—fiscal year, it will be possible to undertake projects affecting only 46 1 miles out of that total.

In regard to the secondary highways in Southern California, we find two projects in Los Angeles County, amounting to 6.2 miles; one project of 5 miles in San Bernardino County; three projects in San Diego County, one of which extends into Riverside County. The total mileage to be improved on secondary highways in Southern California amounts to 42 miles, with proposed expenditures of $3,400,600. Now, I point out these projects, the total mileage of the State Highway System, primary and secondary, north and south, in order that you may get some conception, and we may have some conception of the possible rate of improvement of these highways.

It does not require excessive imagination to recognize that the rate and extent of improvement of our highways, both north and south, as set forth in the budget for the coming year is wholly inadequate Such inadequate rate of improvement will result in more intensified traffic congestion, with slowing down of traffic movement and increase in traffic accidents.

Now, you may be surprised at the figures I have given you—you may say, well, why isn't there available for new construction and reconstruction during the coming year more than the amount of $2,961,000 that I have referred to. I think you will find the answer in several different sources However, as to one source, I would call your attention to the Assembly Journal of March 10, 1947. You will find in that Journal beginning on page 8, continuing through many pages, a list of the contracts which have been let by the State Department of Public Works during the period June 30, 1945, to January 29, 1947. That covers half a year in 1945 and all of the year 1946, and one month of this year. Then, if you will turn to page—it is about page 30—you will find a list of projects in respect to which the State Department of Public Works expects to issue contracts or has already issued contracts during the period January this year to June 30th of this year. You will find that they make up a total of approximately $7,000,000 Now, then, we are concerned, as are the members of this committee, as to whether or not the department has the large surplus on hand, whether it will have a large carry-over or not.

Referring again to the Journal of March 10th, in the first part of the Journal, you will find projects not included in the budget for the next fiscal year due to lack of funds, and on pages 6 and 7, you find these tabulated and they make up a total of $40,000,000. Now why is it that the department is unable to finance those projects during the coming fiscal year, as well as the projects which I referred to as set forth in the budget, making up approximately $22,900,000. The answer is, Lack of funds. There cannot be any other answer. We may be assured for any number of reasons that if the state department had the funds available, it would let contracts for the $40,000,000 of critical deficiencies which they considered of vital importance as having a bearing upon traffic

safety and in order to facilitate traffic movement. We have examined various reports and budgets of the Department of Public Works, and I have received from Mr. Vickrey a tabulation which I will suggest to him that he present upon the proper occasion to this committee and explain to you exactly what the figures mean.

Now, I have referred to a lot of these contracts that are being let during the period January to June of this year. That means that the department must have available revenues to meet those contract payments when they come due. Now, you will recognize that many of those projects will not be completed until after June 30th of this year. Thus it is necessary for the department to carry over into next fiscal year certain cash balances in order to meet the obligations incurred by virtue of those contracts, thus, in studying the records of the Department of Public Works, it is necessary at all times to bear in mind what is meant by cash balances. Cash balances may mean cash in the bank, but the cash in the bank may be completely obligated or it may not be.

I do not know that this is the proper occasion for me to attempt to explain the tabulations which Mr. Vickrey has which is dated as of December 31, 1946, however, after most careful investigation, study, and questioning of the Department of Public Works officials, we are satisfied that as of June 30, 1947, the Department of Public Works will not have any available free cash money to carry on an intensive highway program. Beginning fiscal year in June, the department will be forced to rely upon current revenues received, and that is the reason why during the coming fiscal year, the department will be limited in its expenditures for reconstruction to approximately $22,900,000, to which I have previously referred. Now, since some of these figures were prepared there has been discovered that there may be an additional three or four million dollars available over and above the twenty-two million and it is my recollection during some of the hearings recently, that Mr. Dills has pointed out that there is three or four million dollars additional that will probably be available. I think if you gain an understanding of the bookkeeping methods of the department you will finally satisfy yourselves as to the fact that there are not large amounts of available funds for new construction.

It is well to bear in mind that the department really has two methods of keeping the records, one has reference to cash on hand, cash coming in, and cash going out. The other has reference to what we might call the budgeting of resources that will be available, and it is necessary to keep those two things in mind in determining the actual situation in regard to the financing of state highways.

Now, I mentioned a while ago that we have considered the Kennedy Report, the Lindman Report and I refer to that fact by reason of the further fact that it recommends some things, and the recommendations of the Automobile Club of Southern California in regard to financing are based very largely upon those reports.

Specifically, we recommend that the gasoline tax be increased from 3 cents to 4½ cents; that the rate of fuel tax on diesel fuel be increased from 3 cents to 6¾ cents. We recommend an increase of approximately 50 percent in the taxes to be imposed upon commercial vehicles, although I will discuss this in more detail a little later. We recommend a moderate

driver's license fee, and this, also, I shall discuss in more detail a little later.

Now, may I refer again to the Lindman Report. On page 81, you will find alternate methods. It is recommended that there be either a 1-cent or 1½-cent increase in the gasoline tax, the imposition of diesel taxes which are 50 percent more than the gasoline tax rate adopted. The Lindman Report also recommends an increase in the taxes on commercial vehicles for the several excellent reasons set forth in the report. The Lindman Report did not recommend any increase in the gasoline tax in excess of 1½ cents per gallon. It is interesting to note that said report was dated November 14, 1946.

May I point out that the proposed state tax of 4½ cents per gallon, together with the federal gasoline tax of 1½ cents per gallon, represents a total tax on this type of motor vehicle fuel at the rate of 6 cents per gallon. We believe that such tax should not exceed 6 cents per gallon. If, in future years the Federal Government should decrease or abolish the federal tax, then there might be some justification for a further increase in the state tax.

Our recommendation for a 6¾-cent per gallon tax on diesel fuel is in harmony with the recommendation of Mr. Lindman that such tax should be 50 percent higher than the gasoline tax adopted—tax rate adopted.

We do not recommend any increase in the present $3 registration fee, and you may note that Mr. Lindman does not recommend any increase in the registration fee. In this connection we have in mind that motorists are now called upon to pay not only the flat $3 fee, but in addition, the vehicle license fee at time of annual renewal. These combined payments represent a lump sum payment annually which is of concern to a very large percentage of the motorists in this State.

May I next refer to our recommendations in regard to the special taxes imposed upon commercial type vehicles, including busses, trucks and trailers. In line with the excellent arguments advanced by Mr. Lindman, we recommend that such taxes be revised and increased to bring about more equitable payments as between the various classes of commercial vehicles and as compared to private passenger vehicles. We believe that such taxes should be imposed upon commercial vehicles to the extent of approximately 50 percent over the total present taxes paid by commercial vehicles.

We are not committed to the ton-mile tax as set forth in Senate Bill No. 5 and in Assembly Bill No. 8, Special Session, now pending before your Committee on Revenue and Taxation. In fact, we recognize that the ton-mile tax would impose upon owners of commercial vehicles burdens and costs in excess of the additional tax revenue to be collected.

The ton-mile tax measures would require each operator to make reports and payment of taxes each month to the Board of Equalization. We are advised by many owners of privately operated commercial vehicles that the burden and cost of maintaining necessary records may equal or exceed the amount of tax payments. The ton-mile tax measures contain most drastic administrative provisions, such as deficiency determinations, revocation of permits, penalties for failure to make reports within the time limits, jeopardy determinations and redeterminations. I do not know of any federal tax measure, that contains

any more drastic provisions than those contained in this proposed ton-mile tax in Senate Bill No. 5.

Apparently, the ton-mile tax was drafted upon the theory that all commercial operators should be subject to every possible penalty in the event of failure or any miscalculation. The ton-mile tax in practical operation is about as logical as it would be to require every motorist to make a report each month to a state board as to the amount of his gasoline consumption and to suffer severe penalties for any failure or errors. I do not see how any state administrative agency can properly check upon the mileage of private operators of commercial vehicles subject to the tax.

We believe that it would be far better to provide for increased tax payments by commercial operators by means of some other form of tax, perhaps on the basis of gross weight. Such simplified method would permit payment once a year and avoid all of the detail of record keeping required under the ton-mile tax measures.

May I next refer to the proposal for a driver's license fee. During many years the Automobile Club of Southern California has supported legislation providing for a comprehensive drivers' license law. We have sought to encourage the Department of Motor Vehicles in respect to the proper administration of such law. We are convinced that the present administration of the drivers' license law is not as effective as it should be in prevention or reduction of accidents. It would require an extended discussion to explain this to your full satisfaction, however, we have studied this matter through many years.

I will point out a few serious defects in the administration of our drivers' license law. The original examination is inadequate, and I believe there are very few who would dispute this fact. The renewal of licenses every four years is a routine affair and no distinction is made between those who have perfect driving records and those who may have been involved in a series of traffic accidents or commit a large number of traffic offenses. In fact, such renewals are granted without fully examining into the accident record of the individual driver as they should.

We believe that the department should more fully exercise the powers vested in it in respect to investigation of those involved in traffic accidents, and in proper cases, to suspend or revoke licenses. In order to permit of appropriate administration of the drivers' license law, and in order that such division be self-supporting, we recommend that a moderate fee be imposed for issuance and renewal of drivers' licenses.

In determining the amount of such fee, I would suggest that you examine the budget of the Division of Drivers' Licenses, as shown in the budget for the next fiscal year on page 663. This shows for the Division of Drivers' Licenses in the Fiscal Year 1945-46, $1,011,174; for the Fiscal Year 1946-47, $1,215,524; estimated and proposed for the Fiscal Year 1947-48, $1,676,860.

We are informed by the Department of Motor Vehicles that it was called upon last year to issue new and renewal licenses to 1,546,775 persons. Thus, a fee of $2 for the issuance of a new or renewal of a license would provide the Division of Drivers' Licenses with a revenue of at least $3,000,000 a year. We know of no justification for the proposal in Senate Bill No. 5 for the imposition of a $5 fee for an original license

and $4.50 for renewal. Any such operators license fee of $5 can be imposed only on the theory that you are going to use that money for the Division of Drivers' Licenses, but that there shall be a surplus to be used for general highway purposes, or perhaps for other administrative purposes in the department.

We admit, in fact, we will maintain, that the foregoing represent conservative and reasonable recommendations for increase in highway user's taxes. We recognize that it is always possible for this Legislature to increase taxes in future years, if such action is found necessary or desirable. We recognize also that it is very difficult to repeal or reduce a tax once levied.

The resolution of our board of directors also recommends that those legislative measures providing for increase in the taxes for highway purposes terminate in the year 1959, in order to then require legislative determination and consideration as to the progress which has then been made in the highway development and to require affirmative action before any continuation of such increase in tax levies.

There are two additional recommendations which we would like to submit for your consideration. It is recommended that legislation for the expanded highway program make appropriate allocation of funds:

First: that all state highway construction funds shall be allocated for expenditure within County Group No. 1 and No. 2 as defined in the Streets and Highways Code, in proportion to the registration of motor vehicles in each such county group This recommendation is based upon various factors, including our experience during many years in regard to the allocation of highway revenues.

You may reasonably inquire as to why it is desirable or necessary for the Legislature to definitely provide for the allocation and expenditure of highway revenues in the north and in the south The answer is found in the history of highway expenditures in this State.

Prior to the year 1927, the Legislature imposed no directives as to the expenditure of highway revenues, with the result that during many years expenditures were approximately 64 percent in the north and 36 percent in the south, in spite of the fact that the south contributed more than 50 percent of such revenues. That was true even during the early years of 1923 to 1927. I recollect that this discrepancy gave rise to very intense controversy. During this period of years there was a growing resentment in the State, of hostility on the part of the south and vice versa. During several years there was open discussion of a possible need of dividing the State of California into two separate states. I am sure that no one in this room would care to see a revival of any such proposal.

This bitter controversy was finally settled for the time being by the adoption of the Breed allocation measure in 1927. This measure recognized that the State as a whole should pay the cost of administration of the Highway Department and the cost of maintaining all state highways. The Breed bill apportioned the money for construction and reconstruction to the primary highways, north and south, upon a mileage basis, and the money for secondary highways 50-50, north and south

The above method of allocation has been in effect for exactly 20 years. During the past several years at least, it has operated to the

detriment of Southern California and prevented an expenditure in that area of revenues vitally needed for highway development purposes.

Our engineering department has examined the records of the State Department of Public Works for the period 1912 to June 30, 1944, and has tabulated the expenditures for construction and maintenance in each of the 13 southern counties of the State and in each of the 45 northern counties of the State during that period. I have that tabulation with me. At this point let me remind you that the 13 southern counties comprise approximately 48 percent of the total area of the State and during many years has had nearly 60 percent of the total number of registered motor vehicles within the State.

The table which I have at hand and copies of which I have available for your committee, shows that during said period the State Department of Public Works expended for state highway purposes in the 13 southern counties, and I do not charge any violation of law, $291,500,000, in round figures, or 42.162 percent * * *

ASSEMBLYMAN RALPH C. DILLS: Mr. Chairman, pardon me Mr. Davis.

CHAIRMAN HOLLIBAUGH: Yes, Mr. Dills?

ASSEMBLYMAN RALPH C. DILLS: There is a committee of which I am a member, and which two or three other members here are also members of. This committee is meeting at 3 o'clock, two minutes ago, on a Special Session bill which is concerned with placing the Highway Department in the budget bill, and insofar as those members of your committee are concerned who are also members of that committee, I should like to have their permission to go and hear that measure, because action for or against will probably be taken today. Insofar as my being unavailable here to ask questions of Mr. Davis, other members will be able to do that for me. There seems to be considerable interest as to my coming and going, so that is where I will be. Later I will be in the Governor's Office, and we will go right along, but I would like to see as many up there as can make it.

CHAIRMAN HOLLIBAUGH: Pardon me for interrupting you, Mr. Davis.

MR. DAVIS: Let me continue. I was pointing out the figures in reference to the expenditure of funds in the 13 southern counties during the long period of years referred to. In that year there was expended in the south approximately $291,500,000 or 42.162 percent of the total revenues available. During the same period of time the state department expended within the 45 northern counties a total of $399,906,000, representing 57 838 percent of the total revenue. This represents a total expenditure north and south of $691,000,000.

The table also shows the approximate amount of revenue derived by reason of the registration and operation of vehicles within the 13 southern counties and for each county separately therein, also, in the 45 northern counties and for each county separately therein.

The only other known method of determining the source of revenue is by reference to the number of registered vehicles. This is not completely accurate, for the reason that vehicles from the south are operated at times in the north, and residents of the north frequently operate their vehicles in the south. Thus, we refer to the figures as approximate.

The table shows that during said period the revenue derived from motor vehicles in the south amounted to $401,000,000, or 58.27 percent of the total. The revenue derived from vehicles registered in the north amounts to $290,000,000, or 41.973 percent of the total. In brief, this table would indicate that the motorists of Southern California have not only financed the construction of state highways in Southern California, but have contributed during said period approximately $109,000,000 to finance the construction, maintenance and improvement of state highways in Northern California.

During recent weeks quite a number of northern representatives have insisted that state highway revenues should be expended according to need. With this statement I agree. On the basis of need I would point out the terrific traffic congestion upon our major traffic thoroughfares in many parts of the south. I would point out that traffic congestion and the need for improved highway facilities exists where there is the greatest volume of traffic, and no one can deny that the southern portion of the State is suffering in this regard at the present time.

May I point out also that the highway problem in this State is entirely different today from what it was 25 years ago. At that time there was need for the building of a system of state highway between the various cities of the State and to provide the interstate routes and the county seat laterals. This framework has been constructed, although there is need for further improvement. Today, the traffic problem and the need for better highway facilities is most acute in the urban centers.

It is necessary to provide better facilities in the form of expressways to permit traffic to enter and pass through cities, both large and small. On several occasions I have listened to the statement made by Mr. Brunnier, President of the American Automobile Association and a Director of the California State Automobile Association, that during the early years the problem was to get rural traffic out of the mud, and that today the problem is to get the cities out of the muddle.

I think, as a brief statement, that is very accurate. We certainly are in a horrible situation today with respect to our traffic congestion in and around cities, both large and small. You will find substantially the same problem in your smaller cities as you do in your larger, except in the latter, they occur over wider areas.

If progress is to be made in this regard, that is, if more of the funds are to be devoted to solving the urban problems, our first requisite is that there shall be an appropriate allocation of highway revenues north and south We cannot justifiably ask our motorists in Southern California and particularly in metropolitan areas, to contribute substantial additional tax revenues unless they are assured that the appropriate portion of such revenues shall be expended to relieve traffic congestion where such congestion is most acute.

During a meeting of the Collier committee in Los Angeles, the members witnessed a moving picture film showing the traffic congestion on many of the major streets and highways in that area. They observed that at various times of day long lines of vehicles were held motionless because of inability to cross intersections. I am convinced that Senator Collier and some other members of the committee were impressed by this exhibition.

Senator Collier has indicated an appreciation of the metropolitan problem. He has included in Senate Bill No. 5 a proposed apportionment of funds north and south which is more equitable than has prevailed in the past. I believe Senator Collier has been sincere in the recognition of that problem, I think he went as far as he felt he could go as a Senator, and in view of the attitude of many of his associates, and I think that Senator Collier sympathized with the problem which I am discussing.

Senate Bill No. 5 provides that the state highway revenues shall be used first for administration and maintenance of all state highways. Then one-third of the revenue shall be apportioned north and south 50-50. The other two-thirds of the revenue shall be apportioned 45 percent north and 55 percent south. This would mean approximately 53 percent of all expenditures for construction and improvement in the south and nearly 47 percent in the north.

My criticism of this apportionment is that it does not go far enough. The apportionment north and south should be upon the basis of registration, in order that annual changes in registration should be immediately reflected in the apportionment of funds. In other words, Senate Bill No. 5 is still discriminatory in respect to Southern California

There is another respect in which Senate Bill No 5 is highly objectionable. It proposes apportionment of an additional $9,375,000 to the counties for county road purposes. For the moment I am not questioning whether this total appropriation is proper or not. It has generally been conceded that the counties are entitled to some additional revenues. However, Senate Bill No. 5 contains very complicated formulas for distribution of this additional revenue to the counties.

During the legislative recess, Mr. Richard Zettel prepared and there has been published, an analysis of Senate Bill No. 5. On page 13 appears Table II, The Estimated Apportionments to Counties under Senate Bill No. 5, as Amended in the Senate February 5, 1947—estimated for the Fiscal Year 1947-48. If you will add the amounts of increased revenue as shown in the extreme right hand column as apportioned to the 13 southern counties, you will find the total of such apportionment to be $3,200,000, out of the total of $9,375,000.

That is, the southern counties, with 60 percent of the registration, would contribute approximately $5,625,000 per year. Thus, it is called upon by Senate Bill No 5 to finance the additional amounts to be apportioned to the southern counties, and in addition, to contribute approximately $2,423,000 for county roads in Northern California.

As illustrating the ridiculous effect of the proposed apportionment, may I point out that Los Angeles County would receive only $115.790 out of the total additional revenue for county purposes, amounting to $9,375,000. Although Los Angeles County has between 39 percent and 40 percent of the total registered vehicles in the State, and without any question, has the greatest traffic congestion and needs expressways and other improvements, in spite of the fact, it would be called upon to contribute 40 percent of $9,375,000, or a total of $3,750,000, for which it would receive back the trifling amount of $115,790.

Whoever thought up the formula for distribution of county road revenue showed no regard for the terrific traffic congestion in Los Angeles, and other counties having large urban centers.

From the foregoing you will observe that we do not concur with the provisions of Senate Bill No. 5 in its present form. We recommend the imposition of a lower rate of taxes. We do not agree with the allocation features in the Senate bill. However, there are many worthwhile provisions in the Senate measure, and now that it is over here before you, we know that you will consider all parts of the measure most carefully. Amendments might be adopted to reduce some of the tax rates, correct some of the allocation features, and otherwise put the measure in a form which you may find satisfactory. It may serve as the vehicle for an approved highway program.

Two years ago this Legislature did nothing to solve our highway problems, other than to provide for the Collier interim committee. You all know of the work of the Collier committee, its staff members and the reports which have been made. The highway situation is so critical that further delay will aggravate the problem.

We sincerely trust that the Legislature will be able to adopt a long-range program which will provide the people of this State with the highways so badly needed.

I thank you gentlemen very much for your kind attention. I have taken perhaps longer than I expected because I did interpolate a number of items that I had not originally intended to incorporate. I will now be available, Mr. Chairman, for any questions that anyone may wish to ask.

CHAIRMAN HOLLIBAUGH: Thank you, Mr. Davis. Before we proceed with the questioning which several members I think wish to do, we should give our reporter an opportunity to replenish his resources. We will now recess for 10 minutes.

(A recess was thereupon taken for a period of 10 minutes.)

CHAIRMAN HOLLIBAUGH: Meeting will come to order. Mr. Geddes is first up. You are next, Mr. Stewart.

ASSEMBLYMAN GEDDES: Mr. Davis, first of all I want to call the attention of the members of the committee, and also Mr. Davis, and any further witnesses that may approach and come before us, that I don't think that at any time has anyone suggested the argument that our highways are adequate. I think everybody is going to agree on that premise. That right?

MR. DAVIS: They are not adequate.

ASSEMBLYMAN GEDDES: Now we come to proposition No. 2; that the funds as set up and provided for are not adequate, and then all the variations in figures that we have been able to obtain that we feel is a fair analysis. Each witness has some personal tabulations that he has made or some tabulations that he concurs with. Now, I want to make this point, and see if you agree with me. I think you made first this point, that if we are stuck at the present rate of revenue received and the department is correct that it is practically flat broke on June 30th, that future construction after that date and excluding these that are already contracted for, and they are going on—or, I mean, say in escrow—we will say that further construction will depend on current revenue after June 30th, is that true?

MR. DAVIS: That is correct.

ASSEMBLYMAN GEDDES: Now, what difference is there if we say that we will double or treble that amount of revenue that will start coming in after June 30th? They can still build only as rapidly as revenues come in.

MR. DAVIS: That is true.

ASSEMBLYMAN GEDDES: Certainly, unless we want to make some provision for this "buy now, pay later" plan, why we are faced very definitely with that.

MR. DAVIS: I think the Legislature today is faced with substantially the same question which came before this Legislature in 1927. At that time we had the 2-cent gasoline tax. I was present at a number of the arguments that were presented. It was recognized at that time that the revenue then available for the State Highway System was inadequate. The State was then falling behind. The Legislature determined at that time to increase the tax one cent a gallon.

ASSEMBLYMAN GEDDES: Which was a 50 percent increase?

MR. DAVIS: That is right. Now, may I say this, Mr. Geddes; the Legislature at that time did not attempt to do all of the crystal-gazing which has been done during the past five months. Remember that the gasoline tax adopted originally in 1923, and then increased in 1927, established the principle of "pay as we go." Prior to that we had had to rely on bond issues. It was recognized that the 2-cent rate was not adequate. You remember that 1 cent of it went back to the counties. The State had only 1 cent, so it was increased to the 3-cent rate in 1927, and that was adequate for a while to carry on the necessary improvement of the highways, but as I pointed out a while ago about the beginning of this decade, perhaps a little earlier, it was recognized that the critical deficiencies were catching up with us, that the traffic was increasing more rapidly than we had anticipated, and we recognized that further increase in the revenues was now necessary.

ASSEMBLYMAN GEDDES: All right, now, granting that for the moment, I don't know whether you are authorized to speak for your directors or not on this question, whether your reply would have to be personal, for you stated you speak only for the people you represent.

What is your objection to this plan? That we realize that after June 30th new construction can be financed only according to what funds come in, regardless of what the rate is, the higher rate the more funds, the present rate, less funds; that the department has told us that they have ready to go approximately $40,000,000 worth of construction which is provided and reported for, and on the drafting boards practically ready to go, $100,000,000, then if we would provide the other funds, if other funds are available in the General Fund, or otherwise, some part or all of that $100,000,000, we would certainly get more highways than we would under the proposed plans set up in the Collier bill. Isn't that right, and more rapidly?

MR. DAVIS: That is true.

ASSEMBLYMAN GEDDES: All right. So granting that, that would be one immediate way to spread the highways over the State to take care of the trunk lines and I don't mean passing roads to start with, but some good divided highways, north and south, where the major portion of the traffic exists, and procure some of these critical deficiencies, then in that interval, we could arrive at what construction costs are, either up or down, which has been a very hard point to determine through crystal-gazing, and which, I believe, in the final analysis, and I think you will

agree, can only be determined on what the conditions are when we arrive at that date?

MR. DAVIS: I believe I am authorized to speak on behalf of the club or board of directors on that. Our club is subscribed to the "pay as you go" plan, and based partly on prior experience in this State, we recollect when the people voted a series of highway bonds, you may recollect that, at one time a state bond issue of $40,000,000 was made The difficulty with lump sum appropriations—well, there are several difficulties and objections Mr. Graves gave you some of the answers to that. We had a $40,000,000 bond issue, and that meant a temporary acceleration in the rate of highway development. It was anticipated at that time, surprising as it may be, that the $40,000,000 would build a system of state highways, and they found it was inadequate, and it meant the program was accelerated for a while, and then flattened out. All that the state authorities could count on with assurance was the $40,000,000. Now, if there should be some lump sum appropriation at this time to the state department, we can count on that, but it might be necessary for the state department to enlarge its personnel to engage in a very expanded program, therefore, and then flatten out. It is far better to proceed on the "pay as you go" plan, to permit planning ahead by the Department of Public Works to gradually overtake these critical deficiencies.

ASSEMBLYMAN GEDDES: Then, in other words, we might wait to the end of the 10 years under the proposed plan of spreading it out, wait for that 10 years to finish the last lane between Los Angeles and Sacramento, or Los Angeles to San Francisco, if they didn't get to it by then?

MR. DAVIS: That is possible.

ASSEMBLYMAN GEDDES: Then * * *

MR. DAVIS: Remember this, that as the money comes in, you are thereby improving additional miles. I pointed out the miles that would be improved during the next fiscal year. Now, if you provide additional funds, that rate of improvement can be accelerated.

ASSEMBLYMAN GEDDES: Well, all right, but the department came in the other day and has made repeatedly the statement that $100,000,000 worth of work of construction is only held back because we don't have the money now. If they had the money, that answer would be eliminated, wouldn't it?

MR. DAVIS: I remember two years ago a couple of four or five hundred million dollar bond issues were proposed, that the State spend all of that within a period of two or three years.

ASSEMBLYMAN GEDDES: Of course, that gives another way of getting at it. One final question: You developed the point, and I think it is valid, that these people that don't go out of the cities, they are still burning gasoline and using gasoline, deserve their share of the money, a certain apportionment of it, and I think that this is the question: Would you agree that the farmer who is hauling through sand that lives on the back roads that uses his truck just two or three months out of the year, but is, during that period, using large quantities of gasoline, and still paying a tax, also deserves some consideration, and is certainly going to be interested in how soon we get highways where he can reach them?

MR. DAVIS: Yes, sure, I believe the people of this State are interested in highways of all types, both state highways, the urban expressways,

and county roads. I would point out to you that from the inception of the gasoline tax in 1923, 1 cent of that tax, at that time a total of one-half of the total, was allocated for county roads, and still is, and Senate Bill No. 5 proposes to continue the allocation of the 1 cent to the counties, plus an amount equivalent to the present registration fees that goes to the counties, plus an additional $9,000,000. Now, as to whether or not that $9,000,000 is an appropriate figure, I think that depends upon whatever total increase in rates of taxation this Legislature deems appropriate.

ASSEMBLYMAN GEDDES: In other words, that $9,000,000 could be geared to some particular income, either reduced or raised if the rate of income is reduced or raised?

MR. DAVIS: That is right—now, I am not sure of it, but that $9,000,000—that is on the theory there is to be a 3-cent gas tax increase, I don't know whether it comes out of that or not. If there is an increase of 3 cents in the gasoline tax, and you know we are advocating only a cent and a half, then there should be a deduction in it, otherwise all of the state highways will receive all the designated funds of these tax levies.

ASSEMBLYMAN GEDDES: Are you in accord with the provisions of the bill that the cities who receive gas tax money, and the counties would be required to file proposals as to what highways they are going to build and where and when and how much they cost before they receive their allocations?

MR. DAVIS: Yes, within certain limits.

ASSEMBLYMAN GEDDES: And are you in accord that before this report as to what was done with the previous year's allocation and whether their proposal had been lived up to and their new proposal?

MR. DAVIS: Yes, and I will answer why: Because, remember this Legislature is assuming the responsibility of levying the taxes. It is not the city, county, or the board of supervisors that are assuming the responsibility for levying this tax, therefore, considering human nature, they may feel that they do not have this direct obligation in regard to the expenditure. They should be held to account to the State and to the Legislature, which has provided them money. Now, I understand the cities have not objected. You know this has been in the law for some time, in regard to these cities, in fact, they rather welcome the idea, and I see no reason why the county should not be called upon to make an accounting exactly as the cities have accounted up to date.

ASSEMBLYMAN GEDDES: Well, then, can you understand why Mr. Purcell and others have implied that the Legislature wasn't entitled to exercise the same kind of control over that department, but would merely say, "here is the money, go to it?"

MR. DAVIS: Well, I don't know just how much of a reply to make on that particular point.

ASSEMBLYMAN GEDDES: Well, then, I'll ask you: Do you think the Legislature is unjust or foolish in trying to put itself in that position?

MR. DAVIS: I think my answer is to that, as you know, you are not foolish. I think that the Legislature unquestionably assumes the responsibility to the people of this State when it provides for tax levies, and for an increase. You have the right to call upon the administration or the Department of Public Works for periodical accountings as to what it proposes to do with the money and then what has it done with the money, and I do not know that the state department would object to that. They

submit to you in the Governor's Budget, as I pointed out here, a statement of their proposed expenditures during the coming year. Now, I believe they do also prepare a biennial report which is filed with the State Controller which would be available, and is available, to the Members of the Legislature. There is no reason why you should not require the state department to report back to you each year as to what it has done with these proposed expenditures.

ASSEMBLYMAN GEDDES: Well, with reference to that point, to save time, I will just refer to the transcript of last week's testimony which will appear tomorrow, or in Friday's Journal.

CHAIRMAN HOLLIBAUGH: All right, Mr. Stewart, you ask your questions now.

ASSEMBLYMAN STEWART: Mr Davis, in regard to the long-range program, how long should that program range be—how many years should it be, in your opinion, to begin to implement an improved condition in our highways. What would your advice be on that—one or two, three, four, five, ten or what?

MR. DAVIS: I suggested in my statement, Mr. Stewart, that the increase in the highway user's taxes be limited to a period of 10 years, in order that at that time you might say, compel, the Legislature to reconsider the whole matter and take affirmative action before any further continuation of this tax levy. If you establish a policy and a program at this time, that policy and that program may advisedly continue for quite a number of years. May I point out that the policy and program as laid down in 1927 by this Legislature by the enactment of the 1-cent increase that this gas tax, and the Breed allocation bill, carried on for quite a number of years thereafter, in fact, we still have some of that legislation. There have been some changes since then. The Legislature added 6,600 miles to the State Highway System, and the Legislature made an apportionment of certain parts of the gas tax money to the cities, but in general, that plan, that policy, is as laid down in '27, has carried through for 20 years.

ASSEMBLYMAN STEWART: Mr. Davis, you aren't satisfied though, your organization wasn't satisfied with the long-time ago yardstick that was laid down on the allocations that were made on it, were you?

MR. DAVIS: Quite a number of years ago, we figured that the south was not receiving the apportionment of funds to which it was justifiedly entitled.

ASSEMBLYMAN STEWART: And the question—I am cognizant of the fact that the Legislature could have changed it, probably as this Legislature might change any long-range program, and the succeeding Legislature might change any program that we adopt at this time

MR. DAVIS: That's right.

ASSEMBLYMAN STEWART: You have no advice to give this committee as to whether it would be better to have a four-year program, a two-year, or a ten-year one?

MR. DAVIS: Yes, I think I can, and I think all the organizations I said I am speaking for. I am speaking only for the automobile club, but the automobile club suggested this 10-year program, the Los Angeles Chamber of Commerce. I think the State Chamber of Commerce last week suggested a 10-year program. It seems to be about the limit of what

we can look forward to, and yet it is long enough to provide for a consistent year by year development of the highways.

ASSEMBLYMAN STEWART: Thank you, sir. If you will excuse me, I have to go over to the Governor's Office.

CHAIRMAN HOLLIBAUGH: Good luck to you, Mr. Stewart. I would like to ask you a question. I am a member of your club. I received this through the mail the other day, and there has been so much said around here about pamphlets, and so forth, I wanted to ask you if you admit the club sent that out?

MR. DAVIS: Yes.

CHAIRMAN HOLLIBAUGH: Do you have any idea about how many they sent out?

MR. DAVIS: We sent these messages, yes, (indicating) to each and every member of the automobile club, approximately 236,000 people. That was not sent out until about the time you reconvened If you will examine that pamphlet, you will find that we say to our members, "ask your friends and neighbors, your newspapers, your clubs, your city councilmen, your board of supervisors and all other influential citizens with whom you have contact, to endorse and work for the major highway program." We do not specifically ask our members to flood you with postcards. They may do so or not, as they see fit. We made no suggestion in this matter that they flood you with postcards.

CHAIRMAN HOLLIBAUGH: Could I read a little further there, "the California Legislature presently is considering highway proposals, some of them ill-advisedly, extravagant, or unnecessary. The need for action on a sane program is great. The time for action is now," the now in caps. Do you care to make an expression on what you mean by ill-advised or extravagant?

MR. DAVIS: Yes, I think so. The draft of Senate Bill No. 5 has represented extravagance in this construction program. This proposal was in there at one time, wanting the 3-cent increase in the gas tax, the proposal for doubling the present registration fee, the proposal for the $5 license fee, and plus the diesel tax, the ton-mile tax—in other words, the Senate Bill No. 5 proposed a program far in excess of that proposed by the experts employed by the Collier committee, and we consider some of the drafts of Senate Bill No. 5 as being ill-advised and extravagant.

CHAIRMAN HOLLIBAUGH: Thank you, it is becoming effective because I have received quite a number of letters referring to it.

(Off the record discussion.)

CHAIRMAN HOLLIBAUGH: Any other member of the committee? Mr. James?

ASSEMBLYMAN JAMES: Mr. Davis, while we are on the matter of extravagance, as contained in Senate Bill No. 5, would you say that all the metropolitan freeways that are now made a part of that bill are necessary in order to correct critical deficiencies in our highway program?

MR. DAVIS: Yes, I would say they are all necessary, and others in addition thereto, although it is not proposed at this time to ask the State to finance more than the program as set forth in Senate Bill No. 5. I think, Mr. James, that if you will drive around the metropolitan areas, you will recognize what those in Los Angeles recognize, that we could

today use 12 or 14 more Arroyo-Seco highways running in different directions in and around that metropolitan area.

ASSEMBLYMAN JAMES: Then you believe there actually is present critical deficiencies, and not deficiencies, that are projected into a 10-year program?

MR. DAVIS: We recognize that they are pretty critical deficiencies at present, but that you cannot possibly finance or build all of those that are needed within the period of one or two years. The actual construction must be carried over a period of 10 years or possibly more.

ASSEMBLYMAN JAMES: Now, the first one of these expressway routes, I believe that is mentioned in Senate Bill No. 5, under Section 257, is an expressway running from the Mexican border along the coastline clear up to the Oregon border by the town of Smith River. Do you believe that we need an expressway north of San Francisco running up the route where Redwood Highway now follows, to the Smith River, and if so, why?

MR. DAVIS: I believe that the highways should be developed and that Senate Bill No. 5 permits the state department to develop the highway to the standards necessary and required by the traffic using this highway. Now, around the metropolitan areas or in places where such a highway may carry five to six thousand vehicles per day, there is need for a very high standard of development. If there are any portions of that highway where the traffic is light, let us say less than five to six thousand, or less than 10,000 vehicles per day, most assuredly we need not build to the same high standards and there is a wide range of discretion which is left to the State Department of Public Works in regard to the features that shall be incorporated in these expressways.

ASSEMBLYMAN JAMES: At this particular time, however, I can ask you a question regarding that section of 101 from San Francisco to the Oregon border, do you think there is enough travel on that highway to justify it being made into an expressway—limited access expressway?

MR. DAVIS: As to what portion—well, some certain portions, yes.

ASSEMBLYMAN JAMES: As to what portion thereof?

MR. DAVIS: Those portions you are speaking of from San Francisco to Oakland?

ASSEMBLYMAN JAMES: That's right.

MR. DAVIS: As to those portions, if the traffic count shows that there is need for four-lane or perhaps six-lane divided highways. Now, I think north of Golden Gate Bridge, there is a section in there, and the Legislature has already given attention to that in providing additional funds.

ASSEMBLYMAN JAMES: Now, that is a very short distance north of the bridge—north of Golden Gate Bridge—

MR. DAVIS: Now, as you come on up, say Willits and various other places, it may be necessary to provide additional lanes. I have not traveled that route recently. I do not carry in my memory the exact traffic count, but I would say that the State should consider the traffic count that there is or that may be anticipated in the very near future, and build the highway to the standards required to fit the traffic

ASSEMBLYMAN JAMES: Right at this time I thought we were talking about critical deficiencies, and four-lane divided expressways?

MR. DAVIS: They are one and the same thing to a certain extent, Mr James, and you will find the Redwood Highway and various portions thereof mentioned in the critical deficiency program of the State Department of Public Works the same as 99 is.

What I have in mind, Mr. James, and I think you will agree, I am a little more familiar perhaps with 99, say between here and Bakersfield, but that highway should be developed with four-lane divided highway over its entire length Now, there may be some portions in the vicinity of Fresno or Bakersfield where, due to local traffic, they might even need six lanes.

ASSEMBLYMAN JAMES: That's correct, Mr Davis, I realize that, but very little work has been done on 99, in the meantime, as I understand it, the department goes down to Hollywood and projects the Hollywood Freeway, when they should be correcting more critical deficiencies. I will call your attention to one system of expressway: To El Centro up past the Salton Sea to Indio. You think the traffic count in there deserves that being included in the expressways?

MR. DAVIS: There is very heavy traffic through there, I understand. Let us get clearly in mind what is meant by the term "expressway." Sometimes I think many people think it means something to do with railroads, or an absolute right of way to exclude everybody else You will find in Senate Bill No. 5, a definition of "expressway," and you will find in there certain physical characteristics, some or all of which may be included in the designs of an expressway. Now there are various interstate expressways here, so called, where it may be wholly unnecessary to develop such highways to the full standard as described. Take our desert roads; it may be unnecessary to acquire the limited access rights because there is nothing but desert alongside, and nobody is going to come on there anyhow.

ASSEMBLYMAN JAMES: Well, here we, the Legislature, are called upon to approve a program which would justify the Department of Public Works in putting a four-lane divided limited access highway from El Centro on past Indio, and likewise on 101, from Petaluma on north to the Oregon line, which would connect with nothing

MR. DAVIS: I think I could answer that if I was sufficiently familiar with the latest Senate Bill No. 5 I have lots of lines and pages here, and I can't recall, but there are descriptions in there of the ways meant by an "expressway." I happened to pick up the draft of March 7th.

CHAIRMAN HOLLIBAUGH: Are you finished, Mr. James?

ASSEMBLYMAN JAMES: Yes.

CHAIRMAN HOLLIBAUGH: All right, Mr. Anderson.

ASSEMBLYMAN ANDERSON: Mr. Davis, I am interested in the stand of your organization on the public utility question, as to whether they should stand the cost of the moves of their public utilities when the state highway puts the freeways and different highways in, or should the State participate in part of the cost of removing those utilities?

MR. DAVIS: Well, Mr. Anderson, the action of our board of directors when this resolution was adopted, it was dated February 20, 1947, and at that time, this issue relative to the public utilities had not been presented in regard to Senate Bill No. 5. Thus, there was no action taken by our board of directors. I had no instructions in the matter whatsoever, and I realize that there are many elements involved in the problem to

which you refer, it is one in which it is difficult to answer yes or no definitely. There are various factors that should be taken into consideration. I do not have any instructions in regard to that particular item.

ASSEMBLYMAN ANDERSON. Then they took no position then, as to whether or not the rights of public utilities to remain in the right of way? I believe that was written in the original bill, or that was a portion of the policy of dividing the highways in that whenever we build these major expressways, the public utilities should remain on the expressways What is the view of your company on that—that has been discussed for some time.

MR. DAVIS: I don't know whether I get your question just right or not, but at the time of the action of our board, which was February 20th, Senate Bill No 5 contained no issue in regard to this matter of public utilities, therefore, in my reporting to the board concerning Senate Bill No. 5, I made no reference to that issue, because, as a matter of fact, it hadn't come to my attention yet, and I understand there was some prior discussion between the Collier committee and representatives of the utilities in regard to that problem. I was not present when any such discussion took place, in fact, it was news to me when that issue was raised in Senate Bill No. 5. No, I have none, and I suppose by implication my board of directors has known, and I have known during many years that the law is set up for a procedure in respect to the state highways, whereby utilities concerns might apply to the state department for permits to permit them to place utilities and their facilities within state highways I have been familiar with those laws, the State has granted such permits in the past, and it is my understanding that they have granted them on the basis that the public utility would move such facilities when called upon to do so

Now, one of the difficulties in answering your question yes or no is this: That the State grants permits, whereas, in respect to city streets and county roads, the public utilities apply for and obtain franchises. There is a difference, because under the franchise, the utility does pay a reasonable rental or a gross receipts tax for the use of the street when they place their facility in the street.

There are complications in this course, which render it difficult to give you a completely satisfactory answer without going into too much detail.

ASSEMBLYMAN ANDERSON Well, do you think that the utilities should be allowed to use the sides of these expressways for their utilities? You think they should be prohibited from going along the rights of way of these expressways, or do you think they should be allowed to use the part that won't be used for actual construction?

MR. DAVIS: I think I would answer it this way, Mr. Anderson; during all of the years that I know about, 20, 30, or 40 years back, the laws of California have permitted the public utilities to place their facilities within the right of way of streets and highways under the laws, and under the procedures set up. I know of no reason to now change completely the policy of the State and prohibit them. I see no objection to their using the right of way adjacent to the approved portion—improved portion The law has permitted them to do it for many years. Should they now be prohibited entirely? I don't see any reason for it. I think there should be revision that they shouldn't be permitted to go in and tear

up and destroy a very large investment of highway users fund, but if you have a highway right of way of 120 feet, and you have an improved portion of 70 or 80 feet, a width that is not immediately to be used for vehicular travel, then the law has permitted the use of that extra width for public utilities, and I know of no reason for changing that particular law.

ASSEMBLYMAN ANDERSON: Well, it is my understanding, I may be wrong in this, but I understand from the remarks of the Director of Public Works, that they were going to establish a policy that would keep the utilities from making use of these expressways which was specifically mentioned, and I believe applied to freeways too. Now, would you agree with this view: If the utility would guarantee the cost, well, say of maintaining any improvement, or any repairs upon the property that the utility might destroy, and also if the installation of these utilities wouldn't hurt the traffic by falling down on the highway, that would be a fair proposal?

MR. DAVIS: I do not have here at this time the statement of the Director of Public Works. I was over in the Senate that day, so I do not know just how far he went in saying what the policy of the department would be.

I think you have one problem in regard to an expressway in rural territory where there may be quite an adequate width there that is not used for travelway. You have a different problem in an urban area. For example, in regard to the whole Hollywood Freeway. A larger percentage of the total width will be used for vehicular traffic. There may be a lesser width that could be made available to the utilities. I want you to understand that I am not just trying to dodge the issue, but I recognize the complexities of the problem that arise, and I am interested in making certain, so far as we are able, that highway users' taxes shall not be used for the benefits of other than the motoring public or travelers upon the highways. We are concerned about that.

ASSEMBLYMAN ANDERSON: Another question, and that is in regards to whether the entering into the comprehensive program at this time wouldn't further aggravate the present shortage in certain materials. Now, we know that the highway building program will take an awful lot of steel and concrete and some other materials that they tell us are short, but at the same time, we are told by the different public utilities and private utilities that if they were at this time to enter into a program where they will have to revamp their utility lines so as to increase the lines, and to cross these freeways and highways at certain positions designated by the State, that that in turn will take a lot of copper wire and tubing and material of that nature that they will have to have in changing these utilities around Now, do you think that if we were to enter into the highway program at this time, and if these public and private utilities who have to enter into a program at the same time, would it not require materials that are already short, in order that they might comply with the requirements of the Department of Public Works? Do you believe, or don't you believe that such a program would aggravate the present shortage in material that we are now wanting and trying to get for housing?

MR. DAVIS: I do not believe that the highway program will interfere with the housing program in any way in this State. I listened to several

of the other speakers that appeared before you, and I recollect that they gave substantially that same advice and perhaps upon the basis of better information than I have, but we have never found that the highway work interfered with other construction activities within the State, and remember, not all of this program is going to be carried into effect in one or two years. It is going to be spread over a long period of years. Does that answer your question?

ASSEMBLYMAN ANDERSON: To a certain extent, yes. What—let's assume though, that possibly the entering into the program would aggravate the shortages that are needed in housing, schools, homes, and the development of our institutions, what would you give the highways—priority to a highway program, or to homes for our people or schools, or to the development of our already overcrowded institutions?

MR. DAVIS: Well, let's try to answer that purely personally and from a selfish point of view. I think that if you and I didn't have a house, that is the first thing we would want, and then we would like an automobile to go some place, is that about right?

ASSEMBLYMAN ANDERSON: Well, I agree with you on the first one that the first priority is to get his home * * *

MR DAVIS: The first thing is to come in out of the rain.

ASSEMBLYMAN ANDERSON: The second thing today, I believe, would be school housing. I think the conditions we have found in our overcrowded schools would prompt us to divert as much of the critical material that we can into school housing. Now the third, the car, that I would put in—it would fit somewhere between roads and the development of our public institutions, and they are in a bad shape too.

MR. DAVIS: I do not think we have to make that choice. I think that this Legislature can approve an expanded highway program which is reasonable and I think the points you raised may be preponderating in apposition to the idea that Mr. Geddes propounded to me a while ago, of having a very large lump sum of money made immediately available; under the "pay as you go" plan the program will extend over a period of many years, and I do not believe that such program will interfere in any way with other necessary construction in California.

ASSEMBLYMAN ANDERSON: What would be your views on, say this Legislature adopting an over-all policy bill, setting up the program so that the different cities and counties can know where these different expressways and freeways are going to be located, but that actual construction be delayed until the next Regular Session of the Legislature, with the exception that in the meantime, the very crucial work on more critical work can be taken care of out of present funds that we are getting in at the present time.

MR. DAVIS: I think it would be most unfortunate if you do not at least at this Legislature lay out a plan, a program, and a method of financing that can be carried out during future years. I mentioned a while ago that two years ago our traffic situation was acute. It is worse today. It will be two years from now—much worse. The longer you delay determining a financing program and a method of procedure, the greater will be our traffic congestion, the greater will be the number of fatalities, personal injuries, and property damage upon our highways. I think the situation will merely be aggravated. It will become practically intolerable in many sections of the State, and now is the time to act.

ASSEMBLYMAN ANDERSON: Well, then, in addition to setting the program and the policy, you want us to set the method of financing?

MR. DAVIS: Yes, sir.

ASSEMBLYMAN ANDERSON: But would you be opposed to delaying construction until the next regular session?

MR. DAVIS: Well, new construction is normally delayed anyhow. It requires some time before the State can prepare its plans, specifications, let its contracts, and actually get the work under way. Now, if you postpone this whole thing until the next legislative session in 1949, then actual construction probably won't begin until 1951. Even if you acted right today, it will take a while to put the increase in the tax revenues into effect, to collect the revenues, to make an appropriate plan for the spending of those revenues. I said if you adopted your program right today, your legislative enactment, it would be 18 months before you begin to see the effect of what you have done.

ASSEMBLYMAN ANDERSON: One last question: Would you say that the adoption of this program would in any way affect the present high cost of living—I mean, would it increase with the adoption of this program, increase the threat of inflation by spiraling the construction costs and things like that?

MR. DAVIS: No, not at all.

ASSEMBLYMAN ANDERSON: You don't think this program would in any way affect that?

MR. DAVIS: I could devote some time in explaining that to you.

ASSEMBLYMAN ANDERSON: Could you?

MR. DAVIS: A little.

ASSEMBLYMAN ANDERSON: Well—

MR. DAVIS: I don't know that you would want to take up all that time here.

ASSEMBLYMAN ANDERSON: As to why you don't think it would affect the cost of construction? It seems to me that if we throw a program this large on the market that it will not have the effect of lowering construction costs, but on the other hand, would have the effect of increasing the cost of construction, because there would be further opportunity in the bidding out of all this work.

MR. DAVIS: The increase in revenues which I would expect this Legislature to make for highway purposes, would provide for a highway program and intensification of development which, however, would be only a small part of the industry bill, and a small percentage relatively to home building and other types of construction in the State of California. I don't think you are going to increase the gasoline tax, let us say, to $300,000,000 a year or any such sum as that. The amount of additional money that would be made available under any reasonable program would not be excessively competitive in regard to other types of construction in this State.

I would suggest to you that you obtain from the State Chamber or some chamber of commerce, a statement of the total construction activities in the State of California normally at this time for each year. You will find that it is very large indeed, and that this proposed highway program would be relatively small. I wouldn't say that it would be exactly insignificant, but relatively unimportant in respect to inflation or deflation over points that you have in mind.

ASSEMBLYMAN ANDERSON: That's all, thank you.

CHAIRMAN HOLLIBAUGH: Mr. Thomas is next.

ASSEMBLYMAN THOMAS: Mr. Davis, did you hear Mr. Gilman testify yesterday?

MR. DAVIS: Yes, I did.

ASSEMBLYMAN THOMAS: Referring to the Assembly Journal of March 10th.

MR. DAVIS: I have a copy here of all the contracts in that Journal * * *

ASSEMBLYMAN THOMAS: If all the contracts were carried out as of June 30th, as shown in the Journal, since they all have been obligated, would there be a sufficient amount of money available to carry out the completion of these contracts?

MR. DAVIS: Which contracts do you have in mind—those shown—those state highway projects to be placed underway June 30, 1947?

ASSEMBLYMAN THOMAS: That is correct.

MR. DAVIS: Those appear on pages 32 and * * *

ASSEMBLYMAN THOMAS: Yes.

MR. DAVIS: I guess they begin page 30, then 31, 32, and on 33.

ASSEMBLYMAN THOMAS: You mentioned the figure of approximately $7,600,000 of cost of that. Is that the figure that you mentioned as only expenditures as of June 30, 1947?

MR. DAVIS: I think approximately. I haven't read that correctly because the print is such that I couldn't quite read the figures—not intentional on my part, but the print is such that I can't read it.

ASSEMBLYMAN THOMAS: In other words, if all the contracts that have been obligated or carried out, according to the list in the budget, I mean in the Journal, would there be any money available in the Highway Fund?

MR. DAVIS: It is my understanding that there will not be any money left available beginning June 30th for new construction or reconstruction, other than the new revenue that will be derived thereafter. Now, one of the things that the representatives of the oil companies failed to do—they failed to distinguish between cash on hand, which may or may not be available for new construction. That is, let us make it clear. What I have in mind by available, the Department of Public Works has set forth here proposed projects and proposes to let contracts for those projects up to June 30th. Now, when they let those contracts, they must in some manner or other earmark funds for those projects. It may be cash in bank, it may be money coming in, but the money must be held available to meet those particular projects, and when it is held to meet those particular projects, it is not available to meet any other projects, thus, while there may be a cash balance carryover, it is already obligated and our study of the affairs of the Department of Public Works and I am sure that the figures given me by the Department of Public Works to the effect that by June 30th, all of the available revenues of the department will be obligated is correct, whether they are in cash or not, and they will be dependent in the Fiscal Year 1947-48 upon the then new revenues coming in

ASSEMBLYMAN THOMAS: After a contract has been obligated, is it possible—I'd like to change the question—after a project has been obligated, is it possible to change that into another project?

MR. DAVIS: Not after they have let the contract.

ASSEMBLYMAN THOMAS: That is different.

MR. DAVIS: That is not complete. I mean after it is obligated * * *

ASSEMBLYMAN THOMAS: Turn to page 6 of the Journal.

MR. DAVIS: This same Journal?

ASSEMBLYMAN THOMAS: Yes, there are 68 projects which have been obligated.

MR. DAVIS: Page 6?

ASSEMBLYMAN THOMAS: Yes, 68 projects, $40,000,000, they cost $40,000,000.

MR. DAVIS: That is right.

ASSEMBLYMAN THOMAS: That the department has more or less obligated from July 1, 1947 to June 30, 1948, but they cannot complete the obligation because there is no money.

MR. DAVIS: No. I don't understand it that way, Mr. Thomas, this table in here, pages 6 and 7—

ASSEMBLYMAN THOMAS: —those are the projects not included in the budget.

MR. DAVIS: These projects that are not in the budget?

ASSEMBLYMAN THOMAS: That's right.

MR. DAVIS: There is no obligation on the part of the State in reference to these projects which are not included in the budget which the department would like to include, but they do not have revenues available. This is the $40,000,000 of critical deficiencies that they would like to deal with, but they haven't the money to do anything about it so they simply cannot set up budgets for them. They cannot have any comeback in regard to these—you notice their projects are not included in the budget, due to lack of funds. They do not have enough revenue coming in and no revenue left over, so there is these projects that will have to be postponed to 1949 or 50, or to some other time.

ASSEMBLYMAN THOMAS: After a project has been surveyed by the department, and set aside as obligated projects of the department, that they are planning on constructing, is it possible to make a change to some other project?

MR. DAVIS: Up to a certain extent, at a certain time, yes.

ASSEMBLYMAN THOMAS: What I am trying to derive, this department has been doing that for a certain number of years, and have accumulated a fund of $40,000,000 that they haven't expended. I am trying to find out whether that is correct; through the testimony of all the people that have appeared before this committee, I get the impression that there is continuous obligation of those projects and has kept $40,000,000 in the fund of the Highway Department unexpended.

MR. DAVIS: No, I don't know of any such method or any such result. It is true that the State Highway Commission may set up a budget to do projects 1 to 10, that is 10 projects. It is true the Highway Commission might change that, but when they have let contracts, then they are obligated. Now, let us suppose they are setting up an estimate on a job that is to cost $1,000,000, and then they find out when they let the contract that it is only going to cost $900,000, that may be allocated to some other project, but our study of the books and records of the Department of Public Works shows that they have not accumulated any surplus that will carry over into the next fiscal year. During the war years,

sometimes they did have certain amounts of surplus and spent it, but that surplus will all be used up and they will be obliged to rely and deal with the current revenues that come in beginning June 30th.

ASSEMBLYMAN THOMAS: Under the present law, there is no provision in the statute for making it mandatory to have the appropriations included in the Budget Bill. It is included in the Governor's budget, but there is no law making it mandatory to be included in the Budget Bill. Do you think the Legislature should pass any legislation to make it mandatory to include the expenditures by the Highway Department in the Budget Bill, so that the Legislature may know how much money is being spent by the Highway Department annually?

MR. DAVIS: I think you know at the present time what the department proposes to do. I see no objection to your requiring that they report back to you what they have done, but I do think it would be objectionable to set up in the Budget Bill the particular projects to be financed during a fiscal year. In the first place, it would then be necessary for the Legislature to turn into an administrative body to determine whether or not those particular projects, those particular amounts of money are proper.

Now, many years ago the Legislature decided that it should stick to legislative matters in regard to highways. It designates the highway routes, it designates how much money shall be raised, it designates how the money shall be appropriated to the cities and counties, primary and secondary, north and south, and so on, but the Legislature created the California Highway Commission and the Department of Public Works to act as the administrative agency in carrying out highway maintenance and development, in this State, and I am apprehensive that if the Legislature attempted to take over administrative functions, you would have a burden upon your hands that you could not fulfill, particularly in view of the 4,000 bills that are introduced in this Legislature annually.

ASSEMBLYMAN THOMAS: Don't you think that the Legislature should have some check on the expenditures of the $2,800,000,000?

MR. DAVIS: I think you have that check. In the first place, I think there has been very serious mistake in calling this a $2,800,000,000, or $3,000,000,000 program. I don't know when as serious an error has been made in reference to $3,000,0000,000. It has scared everybody to death. It has given the impression that it looks like a new deal project, or something else, and certainly when it comes to analysis, the proposal that is before you represents merely a "pay as you go," nothing else but, as to building highways in this State.

The meaning of 3 cents or 4½ cents, or some other cents rate of gasoline tax—it means so many millions of dollars per year for highways. It means, however, that the Legislature at next session or the session after, can change that program in any respect it sees fit. You are not committed to any $3,000,000,000 project.

ASSEMBLYMAN THOMAS: Under your plan which you have presented, what is the total increase of taxes annually to the taxpayer?

MR. DAVIS: I have those figures, and it depends on how far you want them presented. If you call—

ASSEMBLYMAN THOMAS: —under the original Collier bill, the gas tax would bring in $678,500,000 a year, and the trucking industry would pay $19,000,000.

MR. DAVIS: The proposals which I submitted today called for a cent and a half increase in the gasoline tax. Notice that 1 cent of gas tax represents approximately $25,000,000 a year, and 1½ cents would be about $37,500,000.

Two-dollar operator's license fee would mean $1,500,000, new and renewals each year, that would be about $3,000,000 per year. I did speak of increase in the diesel tax. I haven't figures on that but I think you can tell it from Mr. Zettel's Report, there under truck taxes. We do suggest that the total amount of such increase be substantially that as called for in Senate Bill No. 5, but we are not committed to the ton-mile tax. I think the computation would be very easy, and it is not as long a program as that called for in Senate Bill No. 5. Translating your present tax or the new taxes to individuals, I think we cover that in our little pamphlet here —it amounts to about 25 cents a week—proposed increase in the gas tax. Translate that into average miles of travel, average gasoline consumption, you will find that it means to you and me about 25 cents a week.

ASSEMBLYMAN THOMAS: Has your club recommended any particular percentage of tax—I mean, any particular distribution of the revenues between the south and north, and the metropolitan area distribution?

MR DAVIS: In the first point, yes—I covered that, I don't believe you were here when I gave my statement.

ASSEMBLYMAN THOMAS: No.

MR. DAVIS: Yes, I went into that quite in detail, concerning the allocation north and south and the reasons why.

ASSEMBLYMAN THOMAS: That's all right, as long as it is in the record.

Could I justify your report by saying that the Southern California club is in favor of increase of taxes, in favor of the construction of the highway program?

MR. DAVIS: Yes sir.

ASSEMBLYMAN THOMAS: In favor of leaving the Department of Highways designate the expenditure of the increased taxes?

MR. DAVIS: No, I say that I think this Legislature should set forth in the legislative measures the apportionment of the money north and south. You should, I want to say, perhaps I think you should set up some guarantee providing for expenditure of part of the revenues upon expressways, and giving certain guarantees on other state highways. I didn't go into that phase of the question. When you take up Senate Bill No. 5 in detail, I hope your chairman and committee will give me further opportunity to speak on detailed provisions of the bill, but you are not leaving it entirely to the State Department of Public Works as to where and when they should expend the money, your Legislature should give them certain policy directions, then it is true you leave it to the Highway Commission and the department to administer those funds, and then require them to report back to you as to what they have done with the money.

ASSEMBLYMAN THOMAS: In the past, Mr. Davis, there has never been included in the budget, you know * * *

MR. DAVIS: Not so far as I know.

ASSEMBLYMAN THOMAS: There has never been an itemized program submitted to the Legislature showing where the money is to be spent and what projects are to be constructed, and whether or not a particular appropriation for a project has ever been expended. In other words, there have been oftentimes projects as designated and planned, are completed and the money is earmarked, and then six months later, it is changed into some other district because of log-rolling.

MR. DAVIS: Well, that has happened although they have not heretofore been permitted to take sides, or put it in the south and then change it to the north, so the allocation features of the bill must necessarily have some administrative agency to determine the exact expenditure of these revenues.

CHAIRMAN HOLLIBAUGH: No further questions?

ASSEMBLYMAN HEISINGER: I'd like to ask a few questions.

CHAIRMAN HOLLIBAUGH: All right, Mr. Heisinger.

ASSEMBLYMAN HEISINGER: Mr. Davis.

MR. DAVIS: Yes, Mr. Heisinger.

ASSEMBLYMAN HEISINGER: Mr. Davis, I followed you quite carefully and in yesterday's testimony the representatives of oil and gas associations proposed that part of the financing program, that the abutting property owners should pay a certain percentage of the highway maintenance and also construction. What is your opinion, or your association's opinion on that matter?

MR. DAVIS: You say the property abutting upon the highway?

ASSEMBLYMAN HEISINGER: I think if my memory is serving me right, they set out in detailed break-down on the amount of revenue from the bill that it should provide, that is, gas tax and other taxes, and then there was one portion of it, not a very large portion, I think probably less than 15 or 20 percent, should be borne by the abutting taxpayer or property owner, upon the opinion that they received special benefit from highways along their lines.

MR. DAVIS: We have not attempted to set up any such apportionment. We recognize that the various counties now have levies as county road taxes, and they may or may not be obliged to continue such taxes in the future. We recognize that practically all of the cities included in their tax levies in one form or another, levies for street purposes. We have no doubt but what they will continue to impose such local city taxes for such purposes.

We have not sought to set up any arbitrary percentage as between highway user's taxes and local taxes

ASSEMBLYMAN HEISINGER: In our county we have no road taxes, and I am inclined to think that your supervisors would run into a lot of trouble, should they undertake at this late date to set up a tax for road maintenance. We depend upon what is called the gas tax revenues received from the department to run our highways on that kind of a basis. Now, another question that you went into, about the allocation of funds between north and south. Can you give me the—give me in round numbers, probably exactly, the amount of mileage in the northern counties and also in the southern counties?

MR. DAVIS: In reference to the present State Highway System, their total is about 14,000 miles, including the extension of state routes through

the cities, the primary mileage is slightly over 50 percent in the north, and a little less than 50 percent in the south—about 48 percent, perhaps, and the mileage of secondary highways is about equal, north and south—I do not have those figures right here. I can pick them up if necessary, but they are just about as I have stated.

ASSEMBLYMAN HEISINGER: That approximate mileage is sufficient for my information, and I presume according to the population basis, the travel upon the southern mileage is greater per day—that is, more densely populated and traveled more than they are in the northern counties?

MR. DAVIS: The total mileage, yes.

ASSEMBLYMAN HEISINGER: That is, the travel upon the highways in the south would be greater than in the north?

MR. DAVIS: I think traffic checks have borne that out. I am quite sure of it.

ASSEMBLYMAN HEISINGER: Now you indicated to the committee that you thought even under the Senate bill in changing their provisions, that still the south would not be getting enough funds in comparison with the population of the registered automobiles?

MR. DAVIS: That is right.

ASSEMBLYMAN HEISINGER: Have you taken into consideration, or has your association taken into consideration that in building roads in the northern part of the State, it just so happens with the different terrain that it costs more in the north than it does in the south for the same standards of roads?

MR. DAVIS: That depends entirely on what road you are building. Now, if you are building a road in the metropolitan area to take care of very heavy traffic, you have to build six lanes, and you have to pay large sums of money for rights of way. Your cost will be far greater than they are to build a highway even in semimountainous country. You have everything, everything is relative. You have to determine where, how, and why, but in general your cost in and around the metropolitan areas will be greater. Why? Because you need the additional lane widths. Because of the increase in costs of rights of way, and all of the facilities that must go into the highway, and I will admit, Mr. Heisinger, that the cost per mile of these expressways in metropolitan areas is going to be very high indeed. It is estimated that the expressways of the metropolitan areas may run as high as one million to two million dollars or perhaps more, per mile.

Now, you can build an awful lot of rural miles of highway that cost in the neighborhood of one hundred and two hundred thousand dollars a mile, and they do not cost a million dollars a mile. Consequently, taking everything into consideration, it appeared to us as legitimate and reasonable that there be a greater proportion to the south on the basis of registration.

Now, we have different types of areas in the south. We have the rural problem, we have the metropolitan problem, just the same as you do up in the north.

ASSEMBLYMAN HEISINGER: I have taken those things into consideration because when you go to build an expressway through a city you not only have the building problem, but you have the abutting property program, in which you have to acquire the property in order to get the right

of way, and that, of course, runs into a lot of money. I question very much Mr. Robertson's questioning of several witnesses upon the cost, because I can understand how the cost can mount in these congested areas. Now, another question, Mr. Davis.

In a territory in these outlying counties where it is necessary to have a two-lane highway, for instance, and it must be constructed sufficiently to hold up heavy trucks into the rural territory to get their materials which are finally transported to the factory for fabrication, manufacture, and so forth, yet in those areas that road may have so many vehicles over it per day, but so far as the elements are concerned, depreciation by the elements, which probably amounts to half, they probably—the engineers have broken that down, but the elements would depreciate that highway just as rapidly as though there were heavy traffic over the road, wouldn't it?

MR. DAVIS: Are you telling me, Mr. Heisinger, that you have more cost up and around Fresno than you have around Los Angeles, and more bad weather than we have south of Fresno—than we have south of the Tehachapis?

ASSEMBLYMAN HEISINGER: Fresno is one of the fortunate counties of California, because we have the semitropical clime of Southern California—we grow oranges and lemons and all those things—but I can —I am talking about counties out in the sticks?

MR. DAVIS: What sticks?

ASSEMBLYMAN HEISINGER: They get their products, such as lumber and other things and I have no objection. The statement was made yesterday as to the amount of money that is going to the county, and I think you mentioned that also set aside in the bill over and above the distribution according to population—

MR. DAVIS: —I am making no objection, Mr. Heisinger, but I am not certain as to just what part of the State you are talking about. I don't know just what you mean when you talk about "out in the sticks"—do you mean out in Mike Burns' territory?

ASSEMBLYMAN HEISINGER: Well, north of the Tehachapis, where there are much more roads in the outlying districts than there are in Southern California because of the natural terrain, and that brings out an engineering problem of the weather, not as to the use of the highway, but the natural wear by the weather, whether it is greatly used or not.

MR. DAVIS: I think where there are extremes of heat or cold that such weather conditions have a severe effect upon the highway surfaces, and please bear in mind that I said both heat and cold. I think the engineering staff will stand behind me on that. We have a lot of desert down south, and it gets pretty hot. You have more roads up north in the Sierras, that present problems.

ASSEMBLYMAN HEISINGER: I have noticed, Mr. Davis, in our early highway construction that we followed the mountains around and around the curves, and now with some of the new highways being built eliminating those curves, the old highways are being abandoned because the elements play upon them.

MR. DAVIS: Sure, just like you have if you don't use it.

ASSEMBLYMAN HEISINGER: Just one more suggestion—it is not a question—that does not affect Fresno County because there is where you

get your cattle and sheep and lumber and many things that help to make Los Angeles and other cities great.

CHAIRMAN HOLLIBAUGH: Thank you so much, Mr. Davis, we certainly appreciate your being with us, and I know each one of us has gotten a lot of good out of your presentation. Mr. Dunn, would you like to present your matter?

ASSEMBLYMAN FRANCIS DUNN: I have a short statement which I requested from representatives of food processing industries and which is located in my assembly district. I made many inquiries and finally was directed to direct my questions to a certain Mr. Albert Walters. I have the answers to those questions as to the impact or the effect the proposed legislation for increasing the California truck taxes and fees now, and I would like to submit it for the record. I want to say that this statement, of course, is merely the gentleman's opinion as a representative of the California fruit processors. Some of it, of course, I could agree with it perhaps, personally, some of it, perhaps I would not agree with, in some of his contentions, one of which is that all increased cost must necessarily be passed along. I think they can sometimes be absorbed, but that is their opinion anyway.

(Letter above referred to will be found in this transcript on page 4, line 4.)

CHAIRMAN HOLLIBAUGH: Thank you.

ASSEMBLYMAN DUNN: Thank you very much.

CHAIRMAN HOLLIBAUGH: There is one more gentleman here who is scheduled and if you feel you want to sit down a little longer and wait and hear from him, why it is all right with me.

(No opposition voiced)

The next gentleman is Mr. Edward S. Moore, representing the California State Automobile Association, Mr. Moore?

MR. EDWIN S. MOORE: (Representative of the California State Automobile Association) Mr. Chairman and Members of the Committee:

I shall try to be short, as the hour is late and Mr Davis has covered quite a bit of ground that normally I would cover. I shall be rather brief in what I have to say.

At the very outset, let me assure you that I am fully aware of the substantial amount of testimony you have already heard on the proposed highway improvement program and the additional work which confronts your committee before final action is taken on this important matter.

Insofar as the California State Automobile Association is concerned, our directors feel that this is too important a subject to pass over lightly and we would ask that you weigh most carefully the issues before you and remind you that upon your decision may well rest the fate of future highway development in this State, and to some extent at least, the pattern, good or bad, for the social and economic life of our people in the days to come.

The California State Automobile Association is supporting an accelerated state-wide highway modernization program. We want to see action taken by the Legislature at the earliest possible time so that such a program might start without undue delay.

We have been interested in highway and motoring affairs for many years and we are convinced that present-day problems of congestion and

accidents resulting from inadequate street and highway facilities are sufficiently serious to warrant prompt and corrective action.

We are convinced that additional funds must be made available for highway purposes, if we are to have the highway improvements which are so greatly needed.

We are impressed by the fact that every study made by both private and public agencies of the street and highway needs of California during the past four years has demonstrated the necessity for an expanded and accelerated street and highway improvement program.

There are some things upon which we find general agreement. Everyone is in favor of better streets and highways. Everyone realizes that there are serious problems of congestion and accidents, and it is common knowledge that these conditions will continue to exist—yes—and grow more serious until adequate and efficient highway facilities are provided.

As to the precise street and highway improvements which are needed right now—or as soon as they can be provided—there is some conflict of opinion. Testimony has been presented to your committee covering critical deficiencies on state highways, city streets, and county roads The total deficiency program covering all three levels of government, state highways, county roads, city streets, has variously been estimated from approximately $2,000,000,000 to more than $3,000,000,000 for a 10-year period. Now, we know that there is no possibility of raising such large sums of money from highway users during the next 10 years for a street and highway construction program. I am emphasizing the word "construction" because that is what you are here dealing with.

As is presently provided in Senate Bill No. 5, the cities and the counties will receive in new highway revenue three-eighths of 1 cent of the gasoline tax, which, in round figures, will amount to approximately $9,000,000 per year. While this sum, together with current revenues, will not meet all of the critical street and road deficiencies listed by the cities and counties, we feel that this is going as far as the State should go in imposing upon highway users the responsibility for correcting critical deficiencies presently existing upon city streets and county roads.

With respect to the State Highway System, three different estimates of critical deficiencies have been made during the past three years, ranging from $630,000,000 for a 10-year program, made in December, 1944, $695,000,000 for the same period made in November, 1945, and, more recently, a program totaling $1,490,000,000 made in January, 1947, which was later increased to $1,700,000,000 to take care of additional metropolitan freeways.

We are satisfied that the cost analysis of the projects listed is in keeping with current prices, although the figures may be a bit low for the metropolitan freeways in the Los Angeles area. In other words, you have had testimony that the contract prices are in keeping with the estimates heretofore provided by the Division of Highways.

As to the total of the critical deficiency projects listed, we are not prepared to say which of these projects need to be built in the next 10 years and which can be postponed for a longer period of time without undue distress or harm. We do know that no pending schedule of tax

increases will do, during the next 10 years, all of the things set forth in the last State Highway Critical Deficiency Report.

As to estimates of available revenues for state highway construction purposes during the next 10 years, they range from $331,000,000 to $639,000,000. This latter figure includes an $89,000,000 cash carry-over balance which, in fairness, should not be included since it has already been committed and cannot be spent twice. It also includes $100,000,000 of federal aid which we may or may not receive, and still another sum amounting to $77,000,000 for state highways within cities.

I mention these figures only to emphasize the point that present revenues will not meet the actual needs for highway improvements, even if you rely upon the first critical deficiency report and ignore the metropolitan freeway program and the other additional projects included in the $1,700,000,000 report as well

The question then arises: How much additional revenue should be provided for a highway modernization program and how should it be raised?

Insofar as highway users are concerned, it is our view that we can obtain the principal street and highway improvements which are so badly needed, and within a 10 to 13-year period, by supplementing present tax sources as follows:

One: That the state gasoline tax be increased by 2 cents per gallon, which would make the total state tax 5 cents per gallon;

Two: That the tax on diesel fuel be increased by 4½ cents per gallon, making the total state diesel fuel tax 7½ cents per gallon.

This recommendation was based upon the findings of the staff of the Collier committee that diesel fuel develops a much greater operating efficiency than gasoline I am sure that if further studies demonstrate that gasoline and diesel-powered vehicles obtain substantially the same per ton-mile operating efficiency, our people will be willing to recommend that gasoline and diesel fuel be taxed at the same rate.

Three: That the special highway user taxes on commercial vehicles be increased so that the vehicles may bear their fair share of the cost of the proposed highway improvement program.

We are not committed to a ton-mile tax or any other specific method of imposing increased tax levies upon commercial vehicles. It is the view of our people that commercial vehicles should pay their fair share of the cost of any highway modernization program approved by this Legislature, and opportunity should be given both to the people affected and the Legislature to work out the method and procedure for levying and collecting such increased rates.

Four: That a nominal fee be imposed for drivers' licenses to provide funds to aid in the support of the Division of Drivers' Licenses and the Highway Patrol; such fees should not exceed a charge of $5 for the issuance of an original license and $3 for each renewal thereof for every four years. We would also recommend this because we realize the administrative problems involved in respect to drivers' licenses. Obviously, we do not want the motoring public stopped by traffic officers willy-nilly to ascertain whether or not they are driving with the currently good drivers' license. Persons who are stopped for other reasons, however, can have their licenses examined, but we feel that persons who fail to apply for a renewal of their drivers' licenses within 60 days after

expiration should be assessed a reasonable penalty, not to exceed 50 percent of the original fee, in order to insure compliance with the law without requiring traffic officers to stop and check drivers constantly for valid licenses.

In accordance with action previously taken by the Board of Directors of the California State Automobile Association, drivers' license renewal procedure should be simplified and greater attention should be directed to checking careless and irresponsible drivers. We have tried to set forth here that individual drivers should be examined as to their capacity to drive a vehicle upon public highways, and we think that can be done.

Obviously, if the department sees fit to greatly expand the activities of the Division of Drivers' Licenses and the Highway Patrol, those matters will come up later and I am not here to discuss them now, but obviously, if such action is taken, the money must come from present sources, or the registration fee, or a fee must be imposed to carry on those specific activities out of the drivers' license fee.

In any event the fees should be nominal, and in no event more than should be necessary to provide for the services required.

Five: That there be no increase in present $3 registration fee;

Six: While this may not be a present matter before you, I would like to call it before your attention, and that is that a simplified method of computing "in lieu" taxes be set up, providing for proper recognition of depreciation from year to year with a minimum tax of $1.

Seven: And this seems to be one of the matters that Mr. Davis and the Automobile Club of Southern California are having difficulties with in that the allocation of state highway construction funds should be made on a state-wide basis of need, so that a policy of continuity in construction of a state-wide network of state highways might be properly developed; that the Critical Deficiency Report of the State Highway Engineer is a fair and reasonable means of determining the relative state highway needs in County Groups 1 and 2, and that this report, when combined with additional freeway needs in the metropolitan areas of the State, justifies an equal allocation of highway funds to the north and south county groups.

Mr. Davis took the liberty of interpolating a bit with the recommendations of his group, and I would like the same privilege.

Now, when it comes to dealing with the problem of allocations of the State Highway Fund, I should like to—although it may not be necessary, nevertheless I should like to remind you gentlemen that you are dealing with a state problem, not with a local problem, and when you are dealing with a state problem, because in setting up a State Highway System, the Legislature must in its wisdom determine that the State should assume the responsibility for the development of a specific system of important highways. Mr. Davis went back to 1912 and carried that up to the present current year or some recent year at any event, to show that a preponderance of the money had been spent during those years in Northern California in the 45 northern counties as contrasted with the 13 southern counties. I haven't seen his chart, and this is what I have to say about the chart, that it is subject to some correction. I assume, however, that he included in those figures the bond issue, money which was voted by the people of California for the construction in the early days

after the construction of highway was first started, and certainly if that is true, then with respect to the $73,000,000 recommended, if the bond issue money is spent as directed by the people of California to build a State Highway System connecting the county seats of various counties in California, obviously connecting the 45 counties is a little more difficult and expensive task than perhaps constructing to connect the 13 southern counties. Now, the allocation of state highway funds as between the north and south as a general rule, the rural areas and the metropolitan areas should be determined on the basis of need, having in mind the requirements for the development of a state-wide system of streets and highways, designed to serve all of our people.

Mr. Petree, spokesman for the Los Angeles Chamber of Commerce, the Los Angeles Metropolitan and Transit Committee, the Automobile Club of Southern California, the Down Town Businessmen's Association of Los Angeles, and a director of the California State Chamber of Commerce, appeared before the Assembly Committee on Revenue and Taxation on March 5th, and speaking for the organizations named, recognized the soundness of this principle, and I quote from his statement:

> "The whole question of allocating the funds, once they are available, boils down to where the need lies. We think the best indication of need is automobile registration. If there is a better indication, we think this better method should be brought out."

Now, it is true that after agreeing that the over-all needs of the State Highway System should be the sole basis upon which state highway funds would be spent, Mr. Petree decides that registration is the best indication of need, and that, of course, was seconded by Mr. Davis up here today, but Mr. Petree wisely leaves the door open by saying: "If there is a better indication of 'need' we think this better method should be brought out," and I assume when he spoke, he also spoke for the Automobile Club of Southern California.

Suppose we stop and examine the problem before us and see if we can determine how closely motor vehicle registration measures state highway needs.

On a registration basis, nearly 60 percent of the state highway construction funds would be allocated for expenditure in the 13 southern counties, which means that 40 percent of such funds would be available for the 45 northern counties.

Now let us see what the actual state highway needs are in the two county groups. According to the $1,700,000,000 Critical Deficiency Report of the State Highway Engineer, the northern group of counties has about 57 percent of the need in terms of dollars and cents, and the southern group 43 percent. This, by the way, includes all the extra freeways in the metropolitan areas—most of which are located in Los Angeles County.

Certainly there is no fairer way of determining state highway needs than to add up the costs of correcting the critical deficiencies in the two county groups and then allocate the available funds on the percentage of the costs involved.

I recognize that this may be objectionable to those who prefer the registration method and when I say that 57 percent of the need existed in Northern California, that gives recognition to and includes all of the

metropolitan freeways included in the $1,700,000,000 in critical deficiencies.

On the other hand, if we are to accept the statement made by Mr. Petree, that "if a more accurate method could be developed for determining need, it should be done," then we can expect support from the groups he represents in behalf of the actual cost formula for allocation of highway funds.

I think it most desirable to bear in mind constantly that the Legislature is dealing with a state-wide system of highways. It is of the utmost importance to motor car owners that a proper balance be maintained in the development of the entire system. The Federal Government has recognized its interest and responsibility in the development and construction to high standards of the interstate highway system, much of which traverses relatively sparsely settled areas Certainly our State Government can scarcely do less.

As a practical matter, countless thousands of vehicles are driven daily over the highways of this State outside of the county group in which they are registered. To use motor vehicle registrations as a basis for allocation of state highway funds completely ignores the purpose for which a State Highway System was established—and even less to the needs of that system.

Even though the preponderance of critical deficiencies exists in Northern California, the bill in its present form allocates a larger amount to the 13 Southern California counties for state highway construction. Notwithstanding this situation, there are those in the southern part of the State who profess to want a modern State Highway System but who would prefer not to have any of their gasoline tax money used for that purpose, even though the records show that they will use all of the highways of this State.

Last year nearly 1,000,000 out-of-state motorists entered California. Most of the great scenic attractions of our State are located in Northern California, and I don't think that will attract any criticism in the southern part of the State, yet we like to believe that most of these visitors traveled the length and breadth of our State; that they did not come to see Northern California or Southern California but, rather, all of California. We like to think they paid substantial sums on gasoline taxes which cannot be allocated accurately to any county group. These people, like our own, are interested in being able to travel safely and easily from one part of the State to another over a network of state highways, each part of which is built to meet the needs of the location, area, and volume of traffic to be served by it.

In fact, for example, I'd like to cite just one specific case Of course, the traffic between Los Angeles and Sacramento, and many of you are interested in the highways between those two great cities, not all of it reaches Sacramento. I was looking over some figures that show between twenty-four and twenty-five hundred cars going through Mariposa County on the main road between Merced and Yosemite. Now, I venture to say that perhaps 1 percent of that twenty-four or twenty-five hundred are Mariposa County vehicles, and we have found through traffic checks that very frequently 60 percent of the people going to Yosemite represent or come from the 13 southern counties. I mention that only to indicate why a state-wide system must be built to serve all the people of the State,

and we should disregard sectionalism when it comes to developing a State Highway System.

The formula set up in Senate Bill No. 5 for allocation of funds in the two county groups gives the 13 southern counties about 53 percent of the state highway construction funds. To ask for more, is to ignore completely any responsibility for the development of a modern State Highway System.

Eight: That a further allocation of the construction funds in each county group be made in order to insure a proper balance of highway improvement in both rural and metropolitan areas. That is a broad statement of principle and we feel strongly on that point, and also,

Nine: That the suggested method of financing the proposed highway improvement program by means of toll roads be rejected.

In brief, gentlemen, those are the recommendations of the Board of Directors of the California State Automobile Association. We feel that California has more at stake than any other state in the Nation in the development of an adequate, safe and efficient highway system. We are convinced that we need additional highway revenues to provide needed highway facilities. We believe that the benefits to be derived by all highway users from such a program will far outweigh the cost involved.

We do not like tax increases any better than anyone else. If we did not feel that the increased tax burden could be justified, we would not be here supporting this program.

CHAIRMAN HOLLIBAUGH: Is there any member of the committee that desires to ask Mr. Moore a question? Any member of the committee? Mr. Geddes?

ASSEMBLYMAN GEDDES: I am very much interested in your statement. As I interpret it, that the needs of roads determined on where the automobile travels those roads, and where they are going—in other words, the use of the roads, and that makes it a state-wide need. The man in the southern part of the State or the man in the northern part of the State needs that portion of the transportation facility supplied in the form of a road where he needs it, so that he can travel safely and directly and get there fast?

MR. MOORE: I don't know that I completely understand your question, I would say that in considering a State Highway System, as opposed to city streets and county roads, that you must consider the needs of the system as a whole.

ASSEMBLYMAN GEDDES: A state-wide proposition?

MR. MOORE: I think you should take a state-wide view on the state highway of the State.

ASSEMBLYMAN GEDDES: Then the Legislature in looking at that would look at the deficiencies that exist now on the main traveled highways and at one time we had a very beautiful plastic map down in the first floor of the Capitol, it showed with a reasonable degree of accuracy the traffic flow over the major highways under consideration, so that we could say, "Well, judging from the illustration, that is a projected need." "In our own observation this road is much too inadequate." You could agree with that? I am not implying that six lanes or some other way could solve the problem in another place, but in places where traffic was very, very, very light, it could perhaps wait a while, couldn't it, rather than saying, "Now this happens to be in a particular county,

and that county is bound to get a certain amount." "Now they are going to get it, even though others that need it worse will wait."

MR. MOORE: Well, Mr. Geddes, as I now understand the critical deficiencies program as outlined by the Division of Engineers, the main cost, so far as rural state highways is the question of relocation, and you have to rely directly on traffic volume and certain factual information which ought to be given consideration, and traffic volume perhaps stands right at the top of the list. You have other factors of accident frequency, which ought to be given consideration, certainly you will have to have adequate roads to take care of the traffic.

Now the traffic between the Cities of San Francisco and Los Angeles —I will have to make a guess at that—but I am sure they are running at least 2,000 commercial vehicles per day between these two places, and you must have an adequate road for them.

ASSEMBLYMAN GEDDES: The people travel all sections of the highways?

MR. MOORE: That's right.

ASSEMBLYMAN GEDDES: I was very much interested in what you had to say on the basis in which you make the distribution of these funds. Now, one final question, do you know what happened to that plastic map?

MR. MOORE: That Lucite map is down in the lobby the last I saw of it

ASSEMBLYMAN GEDDES: That is the last time I saw it, too.

MR MOORE: I assure you, Mr. Geddes, I didn't take it.

CHAIRMAN HOLLIBAUGH: Mr. Weber?

ASSEMBLYMAN WEBER: On the figures that you had on outside traffic—out-of-state traffic * * *

MR. MOORE: Nearly a million vehicles.

ASSEMBLYMAN WEBER: Now, the thing that I wanted to get at, what percentage of the total gas consumed and total tax revenue did they supply?

MR MOORE: That would be sheer speculation.

ASSEMBLYMAN WEBER: Is there any speculation? It must be an important percentage.

MR. MOORE: I don't think it is a substantial percentage. I wouldn't want to venture a guess as to the total.

ASSEMBLYMAN WEBER: It wouldn't be 10 percent?

MR. MOORE: I don't know, and I wouldn't want to guess.

ASSEMBLYMAN WEBER: I think it is important that that be considered, because then you have the over-all revenue that is coming in from all of the State, and if you are going to split this thing, you have—

MR. MOORE: —it would be difficult, Mr. Weber, to determine that figure I think perhaps "impossible" would be a better term.

CHAIRMAN HOLLIBAUGH: That is all the questions? Mr. Dunn, you wanted to ask a question?

ASSEMBLYMAN DUNN: I wanted to ask a question. Of course I haven't been as familiar with these things as some of the others. I noted in Mr. Moore's testimony that they recommend—their recommendations in regard to this new tax, and a proper grading of, or depreciation. That is about what you had, isn't it?

MR. MOORE: That is right.

ASSEMBLYMAN DUNN: That question is puzzling me. Why do you continue to use this outmoded practice of depreciation in lieu tax? I

know why the in lieu tax was introduced, as a form of checking * * * man's pocketbood in increased rations to the proposed increase in taxes

MR. MOORE: Mr. Dunn, I might answer that by saying the whole theory of in lieu taxes does not relate to the danger that might or might not use the highways. In lieu taxes, as you know, and as you stated, are in lieu of your personal property taxes.

ASSEMBLYMAN DUNN: Now, have you considered—has your organization considered substituting some other form of tax, based perhaps on the weight of the vehicle when it is first registered, or some other comparable formula, so that the tax that would be assessed would be something like in proportion to the wear and tear inflicted on the highways by the vehicle and eliminate these in lieu taxes as something that is outmoded and has nothing to do with it?

MR. MOORE: That would be a step backward, in my opinion, you are talking about pleasure cars or commercial vehicles?

ASSEMBLYMAN DUNN: I am talking about what you term pleasure cars.

MR. MOORE: Well, we have abandoned it; at one time we had the old weight tax on pleasure cars, but now you are telling me you want a personal property tax, in that you want to do away with the in lieu tax in favor of the personal property tax.

ASSEMBLYMAN DUNN: Well we disposed of the weight tax in the main as uncollectible, and so we submitted this in lieu theory, on the theory that when people registered, they had to pay this personal property tax. Now, what is wrong, or are you, if you consider it doing violence to some tradition, what is wrong with accepting the point that an automobile is no more related than a field of growing corn or something of that kind, and assess a tax on a piece of equipment on the basis of what it does on the highways, the damage it does, and not on the basis of how much it is worth?

MR. MOORE: Well, this is going to be a prolonged discussion, but I can answer that very briefly. In the first place, if we eliminate the in lieu tax, obviously the automobile is one way of taxing for the use of the roads, and we have already indicated the point to your committee here, and that is precisely what we would be doing if we took the present fee off and imposed on automobiles this weight tax, and levying personal property taxes against an automobile.

ASSEMBLYMAN DUNN: Well, of course we are going to change some laws around here, and there is no reason why we can't make sure that the local sources wouldn't rather see these personal property taxes abolished and impose a tax that is comparable to its value and use of the highway and the cost of maintaining that highway, and you will admit, I think, there are reverse ratios on the automobile, in that a new car certainly isn't going to depreciate the highway to the extent that an old 1922 model will.

MR. MOORE: Now, Mr. Dunn, this is a new matter so far as I am concerned.

ASSEMBLYMAN DUNN: I am assuming that you people do a little thinking about these matters ahead of time.

MR. MOORE: Well, you are asking an awful lot.

CHAIRMAN HOLLIBAUGH: Thank you very much—oh, pardon me, Mr. Thomas.

ASSEMBLYMAN THOMAS: Just one question. Substantially, Mr. Moore, what is the difference between your program and the Southern California Automobile Association Club's program?

MR. MOORE: Our program, I would say, is substantially the same. We differ first, with respect to the amount of the gasoline tax, they have approved a 1½-cent increase. Our people feel that we should go to a 2-cent increase, that is as far as we would be willing to go. Under the present terms of the Senate Bill No. 5, one-third of the construction money would be allocated 50-50 north and south. That money means that the north is losing some construction money, because under the present Breed Allocation Law, the allocation is about 51 to 49. Then the other two-thirds of the construction money would be allocated 55 percent to the south and 45 percent to the north, which means that they, if a cent and a half is approved, would be able to eliminate these critical deficiencies just two or three times more rapidly than they would in the north.

ASSEMBLYMAN THOMAS: Would your organization support Senate Bill No. 5 as it is now written?

MR. MOORE: Oh no, we are not in accord with all the provisions of Senate Bill No. 5.

ASSEMBLYMAN THOMAS: You are not in accord with any bill before this committee today?

MR. MOORE: I addressed myself to the over-all policy on a highway program approved by the board of directors of the organization that employs me, and with those recommended changes, we would support any program conforming to those, as I say, the recommendations that we have made.

ASSEMBLYMAN THOMAS: I didn't hear anything about the proposed increase in the diesel fuel as provided for in Senate Bill No. 5 as a just increase. Is it?

MR. MOORE: We take this position, we approved that increase subject to a formula that shows that the efficiency of gasoline and diesel is substantially on a par, so that if the figure submitted in the Lindman Report that diesel fuel is 50 percent more efficient than gasoline, if those figures are disproved, obviously, we would modify our position.

ASSEMBLYMAN GEDDES: Do you think there is some damage to be done to the technological advances in developing motors to burn diesel fuel, if we put it on a parity with gasoline, so that what are we going to do with the distillate that accumulates?

MR. MOORE: I might say that we were quite impressed by that particular argument several years ago. I can't recall the precise time, but for a two years' period we went along, although there was considerable demand at the time, and did not impose any tax on diesel oil, although, at that time, it was being experimented with and actually used in certain sections of the highways, and we didn't want to do anything that would retard development of a more efficient means of operation to the public streets and highways. After that period had passed, the tax was imposed on diesel fuel on an equal basis with gasoline.

ASSEMBLYMAN GEDDES: Now, if you levied a tax to put diesel on a par with gasoline, the only difference that would exist and continue to exist would be the price of the fuel in favor of diesel?

MR. MOORE: That is right.

CHAIRMAN HOLLIBAUGH: Mr. Heisinger?

ASSEMBLYMAN HEISINGER: I desire to ask Mr. Moore just a question or two. To get to the question, the question is—I must preface it by saying that for years I have marveled that California has allowed motorists from, say, a state that charges 8 cents for gasoline, to come into our State and travel at 3 cents, and if I want to go into the same state —I mean, from this State that charges 3 cents, and go into the state and pay 8 cents to maintain their highways system, while they have less taxes on the registration and other things pertaining to highways, and in California, we have in this bill proposed, to double by 100 percent the registration fee and also by—let's see—it is 64, yes, on the registration of drivers, in fact it is several hundred percent, because we have no registration of the driver at the present time. Now the question, Mr. Moore:

Do you not think that California should have a tax system for maintaining the highways more on the basis of usage, rather than paying more money for registration?

MR. MOORE: I think I can answer that very briefly, Mr. Heisinger, and remind you again, in case I overlooked it, that our directors have opposed any increase in the registration fees. We think it is just and more equitable than to arbitrarily increase the registration fee.

ASSEMBLYMAN HEISINGER: Thank you.

CHAIRMAN HOLLIBAUGH: Any further questions that you wish to ask? (No response.) Thank you very much, Mr. Moore, for coming up here. Mr. Ralph Dills?

ASSEMBLYMAN RALPH DILLS: Mr. Chairman, I requested the preparation of a map for me by the Division of Highways, showing the present two and three-lane highways in our state system in California. I should like to ask you to have them, so that it would be available for all of the members of your committee, and then of course for the Legislature, and be a part of your material, that they prepare a map showing the additions to the State Highway System in terms of four-lane, or six-lane highways under their first critical deficiency report. I believe that is somewhere in October, 1945, and then prepare a second map showing the additions to the State Highway System by their second deficiency report, and then prepare another map showing the additions to the State Highway System, or at least those new roads that would be constructed by the addition of those roads under their third deficiency report.

That would require three separate maps showing us the additions as a result of their three separate deficiencies reports.

CHAIRMAN HOLLIBAUGH: All right, we will make that request if there is no objection.

ASSEMBLYMAN GEDDES: I will make it a motion if you want.

ASSEMBLYMAN WATERS: I will second the motion.

CHAIRMAN HOLLIBAUGH: So ordered, there is a motion in, is there any objection to that? (No response.)

ASSEMBLYMAN RALPH DILLS: I want to point out that they brought out a big map back here that they had prepared to the Collier committee. I thought that would do it, but it doesn't. It doesn't show in contrast the three separate deficiency reports' additions, where they were added, and of course, the question of why they were added would be before us.

CHAIRMAN HOLLIBAUGH: All right, Mr. Dills

ASSEMBLYMAN THOMAS: I think it would be timely if the chairman would elaborate on the program as to the continuing of these hearings concerning next week, on Senate Bill No. 5, and other bills we have pending here.

CHAIRMAN HOLLIBAUGH: Perhaps you were not present when I opened, but we had plans on finishing these public hearings tomorrow, but because we dragged along so long today, I am pretty sure we will extend into another day. We were to have heard * * *

ASSEMBLYMAN THOMAS: I didn't hear anything about Senate Bill No 5.

CHAIRMAN HOLLIBAUGH: When we opened, Senate Bill No. 5 was before us along with the other bills, but it was not being taken up individually.

ASSEMBLYMAN THOMAS: Will the committee consider each bill separately?

CHAIRMAN HOLLIBAUGH: After we complete the testifying, the committee will go into executive session, and then we will decide which bills to take up first, and public notice will be given, and that will be our procedure—after we complete our public hearing, and tomorrow we will hear from the trucking industry, and there are some of the members who would like to ask some persons of the Highway Department questions, and they are available, and we haven't heard from the Legislative Auditor, Mr Vandegrift, so I am afraid it will get—we must complete them Friday, because Monday starts our Regular Session.

If we complete our public hearings on these bills by these organizations who have desired to make recommendations, then we will take up whichever bills that the committee sees fit, and give them hearing again, where the Members of the Legislature from the Senate or Assembly may participate and talk for or against the bill, and anyone interested in the bills or having to do with them, their authors and so forth, may bring in any witnesses they desire on the bill. Is that clear, Mr. Thomas?

ASSEMBLYMAN THOMAS: Fine.

CHAIRMAN HOLLIBAUGH: Subject to the approval of the committee.

(The hearing thereupon recessed.)

REPORTER'S CERTIFICATE

This is to certify that I, Harold Krabbenhoft, a stenograph reporter, was present at the time and place the foregoing proceedings were had and taken before Assemblyman Hollibaugh, Chairman of the Assembly Committee on Revenue and Taxation, in the Assembly Chamber of the State Capitol at Sacramento, California, on Wednesday, March 12, 1947, and that as such stenograph reporter did report the aforesaid proceedings on the stenograph machine, and afterwards caused said stenograph notes to be reduced to longhand typewriting, and the foregoing proceedings beginning at the top of page 1, to and including line 24 of page 112 hereof, constitutes a full, true, complete, and accurate transcription of the aforesaid proceedings.

Dated this twenty-fifth day of March, 1947.

GRAESER REPORTERS
HAROLD KRABBENHOFT, Reporter

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Mr. Gannon, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Mrs. Billie Burke of Los Angeles.

ADJOURNMENT

At 11.25 a.m , on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11 a.m., Thursday, March 27, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE

FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

THIRTY-SEVENTH LEGISLATIVE DAY

SEVENTY-FOURTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO

Thursday, March 27, 1947

The Assembly met at 11 a.m.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr Speaker—78.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

O Lord, assist with Thy grace those upon whom Thou hast laid the heavy burden of office; that those who humbly implore Thy help, may ever rejoice in Thy abundant consolation, through Christ Our Lord—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Ralph C. Dills, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. Cramer, on motion of Mr. Hawkins.

REPORTS OF STANDING COMMITTEES

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, March 26, 1947

MR SPEAKER: Your Committee on Legislative Procedure has examined.

Assembly Bill No. 43

And reports the same correctly engrossed.

WEBER, Chairman

Above reported bill ordered to third reading.

Committee on Conservation, Planning, and Public Works

ASSEMBLY CHAMBER, SACRAMENTO, March 26, 1947

MR. SPEAKER: Your Committee on Conservation, Planning, and Public Works, to which was referred.

Senate Bill No. 35

Has had the same under consideration, and reports the same back with the recommendation: Do pass.

McMILLAN, Chairman

Above reported bill ordered to second reading.

ASSEMBLY CHAMBER, SACRAMENTO, March 26, 1947

MR. SPEAKER: Your Committee on Conservation, Planning, and Public Works, to which was referred

Assembly Bill No. 32

Has had the same under consideration, and reports the same back with amendments with the recommendation: Amend, and do pass, as amended.

McMILLAN, Chairman

Above reported bill ordered to second reading.

RECESS

At 11.20 a.m., on motion of Mr. Dickey, the Assembly recessed until 2 p.m.

REASSEMBLED

At 2 p.m., the Assembly reconvened.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

CONSIDERATION OF DAILY FILE

CONSIDERATION OF SPECIAL ORDER

The hour of 2 p.m. having arrived, Senate Bill No. 5 was taken up.

Senate Bill No. 5—An act to provide for a System of Public Streets and Highways in this State and for the financial support thereof, including the levying of taxes therefor, and relating to vehicles thereon and for that purpose to repeal Article 2 of Chapter 2 of Division 1 and Sections 1028, 1029, 188, 190, 191, 203, 232, 1021, 1022, 1023, 1024, 1621, 1625.5, 1626, 1626.5, 1627, and 1628 of, to amend Sections 181, 189, 193, 194, 195, 300, and 1622 of, and to add Division 3, Article 2 of Chapter 2 of Division 1, and Sections 29, 74, 188, 188.2, and 188.4 to, the Streets and Highways Code, to repeal Sections 276.5, 779, 780, and 782, and 142, to amend Sections 276, 277, 370, 372, 381, and 781 of the Vehicle Code, and to repeal Part 4, comprising Sections 9601 to 10501, inclusive, of Division 2 and Sections 8353, 8353.5, 8354, 8355, 8356, 8357, and 8358 of, to amend Sections 7351, 8352, 8651, 9302, 9303, and 9304 of, and to add Part 4, comprising Sections 9601 to 10501, inclusive, to Division 2

of, and Section 8353 to, the Revenue and Taxation Code, and to amend Section 7 of Chapter 788 of the Statutes of 1937.

Bill read second time.

Motion for Committee of the Whole

Mr Burns moved that the Assembly resolve itself into a Committee of the Whole for the purpose of considering Senate Bill No. 5.

Mr. George D. Collins seconded the motion.

The roll was called, and the motion carried by the following vote:

AYES—Beck, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D Collins, Conrad, Lester T. Davis, M. Philip Davis, Dickey, Doyle, Erwin, Field, Gaffney, Grant, Hahn, Heisinger, Hinckley, Hinton, Kirkwood, Knight, Loomis, Lowrey, Maloney, Miller, Price, Sheridan, Sherwin, Stanley, Stephenson, Stewart, Thomas, Thorp, Thurman, and Wollenberg—43.

NOES—Allen, Anderson, Bennett, Cooke, Crichton, Crowley, Debs, Ralph C. Dills, Dolwig, Dunn, Evans, Fletcher, Geddes, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Luckel, Lyons, McCollister, McMillan, Niehouse, Rosenthal, Sillman, Thompson, Waters, and Weber—28.

IN COMMITTEE OF THE WHOLE

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Senate Bill No. 5 considered.

On motion of Mr Thomas, seconded by Mr. Dickey, the committee did arise, and report back to the Assembly.

IN ASSEMBLY

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk

REPORT OF COMMITTEE OF THE WHOLE

ASSEMBLY CHAMBER, SACRAMENTO, March 27, 1947

GENTLEMEN: Your Committee of the Whole has considered Senate Bill No. 5, with amendments one to six, inclusive, and recommends the report be adopted.

SAM L COLLINS, Chairman

Motion to Adopt Report of the Committee of the Whole

Mr. Dickey moved that the report of the Committee of the Whole, with the amendments, from one to six, inclusive, be adopted, at this time.

Mr. Ralph C. Dills seconded the motion.

Motion carried. Report adopted.

Motion for Division of the Question

Mr. Doyle moved a division of the question.

Mr. Geddes seconded the motion.

Point of Order

Mr. Dickey arose to the following point of order: That Mr. Doyle's motion is not in order.

Ruling by Speaker

Speaker Collins ruled Mr. Dickey's point of order well taken.

Notice of Motion to Reconsider Report of Committee of the Whole

Mr. Beck gave notice that on the next legislative day he would move to reconsider the vote whereby the report of the Committee of the Whole, on Senate Bill No. 5, with amendments one to six, inclusive, was this day adopted.

Motion to Adjourn

Mr. Robertson moved that the Assembly do now adjourn until 8 a.m., tomorrow, Friday, March 28, 1947.

Motion to Set Special Order

Mr. Burns moved that Senate Bill No. 5 be set as a special order of business for 11 a.m., Friday, March 28th.

Ruling by Speaker

Speaker Collins ruled the motion out of order because the motion to adjourn takes precedence over any other motion.

Speaker Collins ordered a pre-print of Senate Bill No. 5 with amendments from one to six, inclusive.

Senate Bill No. 5 ordered to third reading file.

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Messrs. Gaffney, Berry, and the San Francisco delegates, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Sister Marie Eucharista and Sister Therese of Notre Dame High School of San Francisco and the following pupils: Jane Krenz, Rosemarie Lunkis, Adelaide Malone, Gloria Marrone, Josephine Moran, Esther McCarthy, Angela McInerney, Jean Niess, Gwendolyn Norris, Olga Pagani, Eileen Patch, Barbara Pierce, Doris Poggi, Patricia Rawel, Leonor Rivas, Maryanne Becker, Carmelita Bremner, Harriet Burgett, Gloria Costella, Rosemary Cotruvo, Catherine Cotter, Janet Cox, La Vina De Soto, Rosemary Denike, Pariena Fabretta, Mary Louise Fraggos, Phyllis Frolli, Marian Gallagher, Evelyn Girlach, Celestine Gorra, Anita Guaraglia, Gloria Harvey, Helen Hyland, Barbara Kavanaugh, Kathleen Kearney, Yolanda Kohler, Joan Kraus, Janice Rowe, Yolanda Schielzeth, Patricia Sweeney, Claire Tollini, Eileen Welsh, and Martha Brychel.

On request of Mr. Blosser, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Mrs. G. Rolland Evans, Stephen Evans, and Donald Evans of San Francisco.

On request of Mr. McMillan, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Capt. Samuel S. Mensberg of Mather Field.

ADJOURNMENT

At 5.22 p.m., on motion of Mr. Robertson, the Speaker declared the Assembly adjourned until 8 a.m., Friday, March 28, 1947.

SAM L. COLLINS, Speaker

GERALDINE B HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE

FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

THIRTY-EIGHTH LEGISLATIVE DAY

SEVENTY-FIFTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO

Friday, March 28, 1947

The Assembly met at 8 a.m.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk

ROLL CALL

The roll was called, and the following answered to their names:

Anderson, Bennett, Berry, Blosser, Boyd, Brown, Burke, Butters, Caldecott, Clarke, Collier, George D. Collins, Conrad, Cooke, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Dickey, Dolwig, Doyle, Erwin, Evans, Fletcher, Gaffney, Geddes, Grant, Grunsky, Hahn, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kirkwood, Loomis, Maloney, McMillan, Miller, Nicholson, Price, Robertson, Rosenthal, Sherwin, Stanley, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr Speaker—55.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

The Lord is my shepherd I want for nothing; He makes me to lie in green pastures. He leads me to waters where I may rest; He restores my soul He guides me along the right paths for His name's sake Although I walk in a darksome valley, I shall fear no evil, for Thou art with me. Thanks be to God for all His benefits—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Waters, further reading of the Journal of the previous legislative day was dispensed with.

CONSIDERATION OF DAILY FILE

SECOND READING OF SENATE BILLS

Senate Bill No. 35—An act to amend Section 906 of the Streets and Highways Code, relating to the width of county highways.

Bill read second time, and ordered to third reading.

NOTICE OF MOTION TO RECONSIDER ASSEMBLY BILL NO. 26 CONTINUED

Mr. Wollenberg asked for, and was granted, unanimous consent that his notice of motion to reconsider Assembly Bill No. 26 be continued until the next legislative day.

COMMUNICATIONS

By Speaker Collins:

The following communication was received, read, and ordered printed in the Journal:

Opinion of Legislative Counsel

OFFICE OF LEGISLATIVE COUNSEL
SACRAMENTO 2, CALIFORNIA, March 27, 1947

Consideration of Senate Bill No. 5, re Highways (No. 3580)

Hon Sam L. Collins
Speaker of the Assembly

MR. SPEAKER: You advised us that the Assembly considered the above bill in Committee of the Whole on March 27th, and upon motion the committee resolved to rise and report recommending adoption of six certain amendments to the bill. Thereupon, the Assembly being in session, it was moved, seconded, and carried by voice vote that the committee report be adopted with amendments from one to six, inclusive. The report was oral and the amendments were not read

You have asked us whether this action constituted the adoption of the amendments into the bill itself.

It is our opinion that the action of the Assembly did not result in amending Senate Bill No. 5

Section 499 of Mason's Manual of Legislative Procedure provides in part:

> "The action of the house in considering committee recommendations on measures is always directed to the bill or resolution, as, to adopt amendments or to pass the bill; and is not directed to accepting or approving the report of the committee, except in the case of adopting reports of conference committees."

The same rule also contains the following:

> "When the report of a committee is agreed to, the recommendation of the committee becomes the action of the house.
>
> "When a committee report is agreed to, if any motions are necessary to carry out the purpose of the report, they should be immediately submitted."

In view of these provisions, we believe that the adoption of the report should have been followed by a motion to adopt the amendments to the bill in order to accomplish the amendment thereof.

The report of the Committee of the Whole, if one is made, has no different status than the report of any other committee. It has not been the custom of the Assembly to effect the amendment of bills by the adoption of a report recommending the amendments While it may be conceded that there would be nothing legally improper in following a contrary procedure, we do not believe it proper, in view of the foregoing rules and the precedents of the Assembly to conclude that the members of that body intended to effect an amendment to Senate Bill No. 5 by the adoption of a report of the Committee of the Whole—at least unless such intended result was expressly declared when the motion was made and so understood by all those voting on the bill

Very truly yours,

FRED B. WOOD, Legislative Counsel
By LAWRENCE G. ALLYN, Deputy

CONSIDERATION OF DAILY FILE (RESUMED)
SECOND READING OF ASSEMBLY BILLS (RESUMED)

Assembly Bill No. 32—An act to add Sections 147, 148, 149, 150, 151, and 152 to the Streets and Highways Code, relating to state highways, declaring the urgency thereof, to take effect immediately.

Bill read second time.

Consideration of Committee Amendments

The following amendments were proposed by the Committee on Conservation, Planning, and Public Works:

Amendment No. 1

In lines 4 and 5 of the title of the printed bill, as amended, strike out ", declaring the urgency thereof, to take effect immediately".

Amendment No. 2

On page 2 of said bill, as amended, strike out lines 40 to 50, both inclusive; and on page 3, strike out lines 1 to 7, both inclusive.

Amendments read, and adopted.

Bill ordered reprinted, and engrossed.

THIRD READING OF ASSEMBLY BILLS

Assembly Bill No. 24—An act to add Section 1239.5 to the Code of Civil Procedure, relating to eminent domain and the use of property acquired pursuant to eminent domain proceedings by the State and public agencies.

Bill read third time.

Motion to Amend

Mr. Weber moved the adoption of the following amendment:

Amendment No. 1

On page 1 of the printed bill, as amended in the Assembly on March 21, 1947, after line 22, insert

"In the event of such rental or lease, the person entitled to lawful possession of the property at the time of such acquisition shall have the prior right to become the tenant or lessee at a rental equal to the highest amount offered by any other person for rent or lease thereof. If no such offer is made by any other person the property may be rented or leased as specified in this section at a rental to be fixed by the public agency acquiring said property."

Amendment read, and adopted.

Bill ordered reprinted, and re-engrossed.

THIRD READING OF SENATE BILLS

Senate Joint Resolution No. 2—Relative to congressional support for flood control projects.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Anderson, Bennett, Berry, Blosser, Boyd, Brown, Burke, Butters, Caldecott, Clarke, Collier, George D. Collins, Conrad, Cooke, Crichton, Lester T. Davis, M. Philip Davis, Dickey, Dolwig, Doyle, Erwin, Fletcher, Gaffney, Geddes, Grant, Grunsky, Hahn, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kirkwood, Loomis, Maloney, McMillan, Miller, Niehouse, Price, Robertson, Sherwin, Stanley, Stephenson, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—53.

NOES—None.

Resolution ordered transmitted to the Senate.

Senate Bill No. 5—An act to provide for a System of Public Streets and Highways in this State and for the financial support thereof, including the levying of taxes therefor, and relating to vehicles thereon and for that purpose to repeal Article 2 of Chapter 2 of Division 1 and Sections 1028, 1029, 188, 190, 191, 203, 232, 1021, 1022, 1023, 1024, 1621, 1625.5, 1626, 1626.5, 1627, and 1628 of, to amend Sections 181, 189, 193, 194, 195, 300, and 1622 of, and to add Division 3, Article 2 of Chapter

2 of Division 1, and Sections 29, 74, 188, 188.2, and 188.4 to, the Streets and Highways Code, to repeal Sections 276.5, 779, 780, and 782, and 142, to amend Sections 276, 277, 370, 372, 381, and 781 of the Vehicle Code, and to repeal Part 4, comprising Sections 9601 to 10501, inclusive, of Division 2 and Sections 8353, 8353.5, 8354, 8355, 8356, 8357, and 8358 of, to amend Sections 7351, 8352, 8651, 9302, 9303, and 9304 of, and to add Part 4, comprising Sections 9601 to 10501, inclusive, to Division 2 of, and Section 8353 to, the Revenue and Taxation Code, and to amend Section 7 of Chapter 788 of the Statutes of 1937.

Bill read third time.

Motion for Call of the Assembly

Mr. M. Philip Davis moved a call of the Assembly.

Motion Withdrawn

Mr. M. Philip Davis withdrew his motion.

Division of the Question

Mr. Wollenberg asked for a division of the question on the consideration of Amendments Nos. 1 to 6, inclusive, to Senate Bill No. 5, as recommended for adoption in the report of the Committee of the Whole.

Speaker Collins ordered a division of the question as follows:

1. Consideration of Amendments Nos. 1 to 5, inclusive, to Senate Bill No. 5, at one time.

2. Consideration of Amendment No. 6 separately.

Consideration of Amendments Nos. 1 to 5 to Senate Bill No. 5

Amendment No. 1

On page 8 of the printed bill, as amended in the Senate on March 10, 1947, strike out lines 47 to 50, inclusive; and on page 9, strike out lines 1 to 3, inclusive.

Amendment No. 2

On page 22 of said bill, between lines 45 and 46, insert

"(f) Any equipment referred to in Sections 39 and 39.5 of the Vehicle Code."

Amendment No. 3

On page 11 of said bill, strike out lines 18 to 34, inclusive, and insert

"288.1. If the construction or improvement of an expressway, or of any other street or highway for the purpose of constituting, extending, relocating, or improving such street or highway as an expressway, reasonably requires the removal or relocation of utility service structures lawfully maintained or operated by any person in such expressway, street, or highway, the department, as a condition of such removal or relocation, shall pay, as part of the cost of the construction or improvement, one-half of the cost of removal and feasibly relocating, either on or off such expressway, all such utility service structures, or, in lieu or in place thereof, of constructing new structures, in such fashion that the relocated or new structures will have at least equal quality and use or service capacity to render the same service in the same area as the structures so removed or relocated.

Such cost includes the reasonable and necessary cost of the incidental restoration of pavement, and such cost of removal and relocation shall be that amount which remains after deducting from the necessary and reasonable total cost all of the following.

(a) The amount of any betterment to the utility service structures resulting from such removal or relocation not in excess of the value of the increased capacity of the structures.

(b) The salvage value of any materials or parts salvaged and retained by such person.

(c) If new structures, or portions thereof, are constructed to accomplish such removal or relocation, an allowance of an amount bearing the same proportion to the original cost of the utility service structures displaced as the age of such structures displaced bears to the otherwise normal expected life thereof

As used in this section, "person" means any person, firm, partnership, association, corporation, organization or business trust, city, county, public corporation, municipal corporation, irrigation district, flood control district, sewer district, public utility district, municipal utility district, other public district, mutual organization supplying

water or telephone service to its members, and any public utility under the jurisdiction of the Public Utilities Commission

As used in this section, "expressway" means an expressway described in this article or a lateral or stem or route of such expressway.

As used in this section, "in" includes over, under, through, across, and along.

As used in this section, "utility service structure" means any pole, pole line, pipe, pipe line, conduit or other structure used for publicly or privately owned utility services.

It is hereby declared that the use of state highway funds for any of such purposes is for state highway purposes.

The department and any person required to remove or relocate utility service structures as provided in this section may by agreement provide for the respective amounts of the cost to be borne by each In the event of failure to agree, either party may bring an action in a court of competent jurisdiction for the apportionment of cost between them in accordance with the provisions of this section "

Amendment No. 4

On page 3, line 16, of the printed bill, as amended, strike out "2011", and insert "2111".

Amendment No. 5

On page 3 of said bill, between lines 25 and 26, insert

"2010. When not otherwise provided by law, each supervisor who uses a privately owned automobile in the discharge of duties imposed upon him in connection with the county road system shall receive for the performance of such duties in addition to the compensation paid him as supervisor, but not for the same mileage for which an allowance is otherwise made by law, six cents ($0.06) per mile for mileage traveled, but not more than three hundred dollars ($300) in any one year, which shall be chargeable against the twenty thousand dollars ($20,000) annual apportionment to the county under the first subdivision of Section 2111."

Amendments read.

Motion That Amendments Nos. 1 to 5 Be Adopted

Mr. Hollibaugh moved that Amendments Nos. 1 to 5, inclusive, offered to Senate Bill No. 5, as recommended in the report of the Committee of the Whole, be adopted.

Mr. Evans seconded the motion.

Amendments adopted.

Consideration of Amendment No. 6

Amendment No. 6

On page 19 of said bill, strike out lines 44 to 50, inclusive.

Amendment read.

Motion That Amendment No. 6 to Senate Bill No. 5 Be Adopted

Mr. Geddes moved that Amendment No. 6, as recommended in the report of the Committee of the Whole, be adopted by a roll call vote.

Mr. Hollibaugh seconded the motion.

Motion to Adopt Substitute Amendment

Mr. M. Philip Davis moved that the following amendment be substituted for Amendment No. 6, as recommended in the report of the Committee of the Whole.

Mr. Wollenberg seconded the motion.

Substitute Amendment

I hereby move to substitute for Amendment No. 6 of the report of the Committee of the Whole the following:

"SEC. 29. Section 7351 of the Revenue and Taxation Code is amended to read:

7351. For the privilege of distributing motor vehicle fuel a license tax is hereby imposed upon distributors at the rate of three cents ($0 03) for each gallon of fuel distributed by them in this State until July 1, 1947. Thereafter the rate shall be four and one-half cents ($0.04½) for each gallon of fuel distributed."

M. PHILIP DAVIS

Amendment read.

Point of Order

Mr. Lowrey arose to the following point of order: That Mr. M. Philip Davis' motion is not in order because it is not germane to the subject.

Ruling by Speaker

Speaker Collins ruled the point of order not well taken.

Motion to Table

Mr. Hollibaugh moved that the motion and amendment offered by Mr. M. Philip Davis be laid on the table.

Mr. Robertson seconded the motion.

The roll was called.

Call of the Assembly

Pending the announcement of the vote, Mr. Robertson moved a call of the Assembly.

Motion carried. Time, 8.32 a.m.

The Speaker directed the Sergeant-at-Arms to close the doors, and to bring in the following absent members:

Allen, Beck, Brady, Burns, Carey, Cramer, Debs, Ralph C. Dills, Dolwig, Dunn, Evans, Field, Gannon, Hawkins, Kilpatrick, Knight, Luckel, Lyons, McCollister O'Day, Rosenthal, Sheridan, and Stewart—23

Further Proceedings Under Call of the Assembly Dispensed With on Substitute Motion by Mr. Hollibaugh

At 9.35 a.m., on motion of Mr. Robertson, further proceedings under the call of the Assembly were dispensed with.

The names of the absentees were called, and the motion by Mr. Hollibaugh that the motion and amendment offered by Mr. M. Philip Davis be laid on the table carried by the following vote:

AYES—Allen, Anderson, Bennett, Blosser, Brady, Brown, Cooke, Crichton, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Evans, Field, Fletcher, Gannon, Geddes, Hahn, Hawkins, Hollibaugh, Huyck, James, Kilpatrick, Knight, Lowrey, Luckel, Lyons, McCollister, McMillan, Niehouse, O'Day, Robertson, Rosenthal, Silliman, Stephenson, Thompson, Waters, Weber, and Mr. Speaker—41.

NOES—Beck, Berry, Boyd, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Crowley, Lester T. Davis, M. Philip Davis, Erwin, Gaffney, Grant, Grunsky, Heisinger, Hinckley, Hinton, Johnson, Kirkwood, Loomis, Maloney, Miller, Price, Sheridan, Sherwin, Stanley, Stewart, Thomas, Thorp, Thurman, and Wollenberg—36.

Further Consideration of Amendment No. 6 to Senate Bill No. 5
Motion to Adopt Substitute Amendment

Mr. Beck moved the adoption of the following substitute amendment:

Amendment No. 6

On page 19, lines 49 and 50, of the printed bill, as amended in the Senate on March 10, 1947, strike out "five cents ($0.05)", and insert "four cents ($0.04)".

Amendment read.

Motion to Table

Mr. Geddes moved that the amendment offered by Mr. Beck be laid on the table.

Mr. Evans seconded the motion.

The roll was called, and the motion carried by the following vote:

AYES—Allen, Anderson, Bennett, Berry, Brady, Brown, Cooke, Crichton, Crowley, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Dunn, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Hahn, Hawkins, Hollibaugh, Huyck, James, Kilpatrick, Kirkwood, Luckel, Lyons, Maloney, McCollister, McMillan, Niehouse, O'Day, Robertson, Rosenthal, Silliman, Thompson, Waters, Weber, and Mr. Speaker—41.

NOES—Beck, Boyd, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Lester T. Davis, M. Philip Davis, Doyle, Erwin, Grant, Grunsky, Heisinger, Hinckley, Hinton, Johnson, Knight, Loomis, Lowrey, Miller, Price, Sheridan, Sherwin, Stanley, Stephenson, Stewart, Thorp, and Wollenberg—33.

The question being on the adoption of Amendment No. 6 to Senate Bill No. 5.

Further Consideration of Amendment No. 6

Amendment No. 6

On page 19 of said bill, strike out lines 44 to 50, inclusive.

Motion That Amendment No. 6 to Senate Bill No. 5 Be Adopted

Mr. Hollibaugh moved that Amendment No. 6 to Senate Bill No. 5, as recommended by the report of the Committee of the Whole, be adopted.

Mr. Luckel seconded the motion.

The roll was called, and the motion carried by the following vote:

AYES—Allen, Anderson, Bennett, Blosser, Brady, Brown, Cooke, Crichton, Crowley, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Evans, Field, Fletcher, Gannon, Geddes, Hahn, Hawkins, Hollibaugh, Huyck, James, Kilpatrick, Luckel, Lyons, McCollister, McMillan, Niehouse, O'Day, Robertson, Rosenthal, Silliman, Stephenson, Thorp, Waters, Weber, and Mr. Speaker—40

NOES—Beck, Berry, Boyd, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Lester T. Davis, M. Philip Davis, Erwin, Gaffney, Grant, Grunsky, Heisinger, Hinckley, Hinton, Johnson, Kirkwood, Knight, Loomis, Lowrey, Maloney, Miller, Price, Sheridan, Sherwin, Stanley, Stewart, Thurman and Wollenberg—35.

Amendment No. 6, to Senate Bill No. 5, adopted.

Motion to Grant Unanimous Consent to Further Consider Amendments to Senate Bill No. 5

Mr. Heisinger moved that the Members of the Assembly grant unanimous consent that further amendments to Senate Bill No. 5 be considered, at this time, without referring the bill to reprint.

Mr. Lowrey seconded the motion.

Messrs. Robertson and Hollibaugh withheld unanimous consent.

Senate Bill No. 5 ordered re-printed and to third reading.

REQUEST FOR UNANIMOUS CONSENT THAT NINTH TRANSCRIPT RELATIVE TO STATE HIGHWAY SYSTEM BE ORDERED PRINTED IN JOURNAL

Mr. Hollibaugh asked for, and was granted, unanimous consent that the following ninth transcript, taken at a hearing before the Committee on Revenue and Taxation, on the California State Highway System, be ordered printed in the Journal in 10-point type:

HEARING BEFORE THE COMMITTEE ON REVENUE AND TAXATION ON THE CALIFORNIA STATE HIGHWAY SYSTEM

VOLUME VIII

Assembly Chamber, State Capitol
Sacramento, California

Thursday, March 13, 1947, 2 p.m.

CHAIRMAN HOLLIBAUGH: Sorry for the delay, but we had to wait for a quorum, which I think we now have. I will now call the roll.

(Thereupon roll call was had.)

Ten; there is a quorum present. Meeting will now be in order. For the benefit of those who have not been here before, this is a meeting of the Assembly Revenue and Taxation Committee, considering the highway program, and the highway bills for the Special Session of the Legislature. Those bills namely are: Assembly Bill No. 1, creating a Highway Users Fund; Assembly Bill No. 2, setting up the administration of the highway system; Assembly Bill No. 6, gas tax bill; Assembly Bill No. 7, the use fuel tax bill; Assembly Bill No. 8, transportation and weight tax, and, Assembly Bill No. 12, exemptions from fuel taxes, and Senate Bill No. 5. Senate Bill No. 5 can be discussed along with the others, any phase of it, during this hearing.

Because we are getting close to the end of our time, I would like to ask the gentlemen who are going to present their statements and recommendations today, and all the members in the question to keep as close to the subject in hand as possible, and try to hear it out, so that we can finish up tomorrow afternoon. I do not wish to cut anyone off, and also want to give everyone an opportunity but if we give a little thought to our questions and so forth, we can speed it up a little.

Before we start, before we hear from our first speaker today, I have a question given to me by one of the members that I should ask Mr. John Pierce, who was a witness here the other day. Mr. Pierce, will you take the mike here?

I was requested to ask you, Mr. Pierce, requested to ask you: Was a quotation from an interview given by Mr. Warlow, one of the Highway Commissioners, and appearing in the *Fresno Bee* on January 31, 1947, the statement is there made that your association overestimated gasoline consumption by $6,000,000 for the first year of your estimate and the Highway Commission's 1946 projection hit the consumption right on the nose? Could you, or would you supply this committee with the estimate which your association made as to consumption of gasoline in 1946 and that made by the Highway Commission, if you are familiar with it, together with a comparison of actual gas estimates for 1946? If you care to, you can supply this in writing for the record.

MR. JOHN PIERCE: I would be glad to supply information in writing, but before doing so, I would like to make a statement in explanation of the source of these two revenue estimates.

On November 26, 1945, the Collier committee requested that our association submit the results of the investigation into the revenue outlook. On that date we submitted a revenue estimate indicating the amount of money the State Division of Highways might expect for the following five-year period. That estimate was projected down into very considerable detail and it would take a great deal of time in order to supply that detail to you on this occasion.

However, I will say that our revenue estimate with regard to the gasoline tax only indicated that during the Fiscal Year 1945-46, the gasoline tax would produce $62,500,000. That estimate represented consumption by the motorist and of the cash flow of money reaching the State Treasury. There is a lag of several weeks between the time that the gasoline tax is paid by the motorist and the receipt of that tax is forwarded to the State Treasury by the vendor of the gasoline. Our estimate therefore, of $62,500,000 for the fiscal year ending June 30, 1946, was submitted to the committee.

Now that that year has closed, we find that the actual assessment after deducting refunds, covering nonhighway users of gasoline, was $63,180,000. A month before that the State Division of Highways submitted a similar report to the Collier committee. It is data covering calendar years, and not fiscal years, so that their estimate is not absolutely comparable with ours, but it estimated that in the calendar year ending December 31, 1945, consumption of gasoline would amount to 1,550,000,000 gallons; multiply that by 3 cents, the answer is $46,500,000. Actual gasoline tax assessed by the State Board of Equalization, allowing for refunds, aggregated $52,650,000 for that same period of time. That represents a discrepancy of approximately $6,000,000. Our figure represents a discrepancy on the lower side of about $600,000.

We further advised the Collier committee that in the Fiscal Year 1946-47, which will end next June 30th, that the gasoline tax produced approximately $71,000,000. Inasmuch as this fiscal period has not come to a close, we have to take collections for the first six months of the calendar year, or the first six months of the fiscal year, which would be the period ending December 31st, gasoline taxes collected amount to $37,500,000. Multiply that by two, the fiscal year total would be $75,000,000, so our estimate was four million on the low side with respect to gasoline taxes collected during the current fiscal year.

The State Division of Highways in October 1945, estimated that in the calendar year 1946, which ended last December 31st, gasoline consumption by motorists would aggregate 1,650,000,000 gallons. At 3 cents a gallon, that would produce a net tax of $49,500,000, or something over twenty million less than the actual amount of the net assessment by the State Board of Equalization. Again I want to explain that the assessment made by the Board of Equalization is gross, and from that figure must be deducted the approximate amount subject to refund by the State Controller, covering nonhighway use of gasoline, such as agricultural machinery, aircraft, and so forth.

Mr. Chairman, I will submit copies of these two tabulations which will provide your committee with details, as I have explained here in my testimony.

(Hands documents to Chairman Hollibaugh.)

CHAIRMAN HOLLIBAUGH: Thank you, Mr. Pearce.

(The tabulations referred to above are hereinafter incorporated as a part of this record as follows:)

GASOLINE TAX REVENUE ESTIMATE OF WESTERN OIL AND GAS ASSOCIATION

November 26, 1945

1945-46

Estimate:	2,083,000,000 Gals. (Net)	@ 3¢	$62,500,000*
Actual:	2,106,000,000 Gals. (Net)	@ 3¢	63,180,000

1946-47

Estimate:	2,370,000,000 Gals. (Net)	@ 3¢	$71,000,000*
Actual: 6 Mo.	1,389,259,908 Gals. (Gross)		
	—138,900,000 Refunds		
	1,250,300,000 Gals. (Net)	@ 3¢	37,500,000
			x 2
			$75,000,000

* Estimates submitted to the Collier committee on November 26, 1945.

GASOLINE TAX REVENUE ESTIMATE OF STATE DIVISION OF HIGHWAYS

October 29, 1945

Estimates [1]

1945	1,550,000,000 Gals.	@ 3¢	$46,500,000
1946	1,650,000,000 Gals.	@ 3¢	49,500,000
1947	1,740,000,000 Gals.	@ 3¢	52,200,000
1948	1,830,000,000 Gals.	@ 3¢	54,900,000
1949	1,920,000,000 Gals.	@ 3¢	57,600,000
1950	2,020,000,000 Gals	@ 3¢	60,600,000

Actual [2]

1945	1,755,000,000 Gals.	@ 3¢	$52,650,000
1946	2,376,000,000 Gals	@ 3¢	71,280,000

[1] Estimate of State Division of Highways as submitted to Collier committee on October 29, 1945.

[2] Actual gasoline tax assessment made by State Board of Equalization, reduced by approximate amount of refunds covering nonhighway use of gasoline

CHAIRMAN HOLLIBAUGH: The first gentleman to appear this afternoon is Mr. Anderson. Will you come forward, Mr. Anderson? Mr. Anderson represents the Private Truck Owners' Association. Will you take the microphone down there, Mr. Anderson?

MR. P. ARNOLD ANDERSON: (Executive Vice President, Municipal License Tax Association, Private Truck Owners' Bureau of California) Mr. Chairman.

CHAIRMAN HOLLIBAUGH: Mr. Anderson.

MR. ANDERSON: Members of the Revenue and Taxation Committee, my name is P. Arnold Anderson.

It is my privilege to appear before you today in behalf of the Private Truck Owners Bureau of California, which is affiliated with the Municipal License Tax Association, a nonprofit association which has been working in California for about 16 years. In behalf of our organization, which represents the operators of many thousands of private trucks in this State, and which trucks are transporting the products of 30 different lines of industry, we wish to express our appreciation to this committee for the cordial invitation which you have then extended to us to appear and present you our views in connection with the highway program.

Private truck owners are individuals and firms operating their own trucks for the purpose of transporting their own merchandise and products and they do not operate their trucks for hire. Their trucks are operated solely as an incident and for direct use in the conduct of business and agriculture. Typical truck operations are as follows: The retail or wholesale grocer who delivers his orders to his customers; icemen, laundrymen, dry cleaner, who delivers bread and cake; the dairyman delivering milk to the stores and homes; and the wholesale distributors of food and petroleum products. These operations include in the neighborhood of 90 percent of the commercial vehicles in California. For that reason we are very much interested in the highway program, and particularly in the policies relating to the revenue phases of this program which will determine the proportion of the burden which must be borne by this class of user.

We wish today to discuss briefly Assembly Bill No. 8, which is before your committee, and which contains what is known as the "ton-mile tax," although the title of the bill calls it a "vehicle mileage tax." The name "ton-mile tax" was the name given to this type of tax when it was introduced in the Legislature in 1933. Senate Bill 125 was introduced and rejected by the Legislature that year, and it is possible that some of you gentlemen may remember the controversy which existed with reference to that proposed tax. The outgrowth of that controversy was the passage of the 3 percent transportation tax, which was passed as an equalization measure between the certificated highway carriers and the highway contract carriers. At that time the railroads were paying a tax of 5 percent of their gross receipts as a tax on their franchise and operating property and in lieu of all other taxes, except the gas tax, and the 3 percent tax was imposed upon the balance of the for-hire operators to equalize the burden of these two competitive highway groups.

Since 1933 the ton-mile tax was proposed in 1935, 1937, and 1939, and was consistently rejected by this Legislature. This ton-mile tax again appears in this session of the Legislature in Assembly Bill No. 8, Senate Bill No. 5, and Senate Bill No. 11, and is the result of the recommendation submitted to the Joint Fact-Finding Committee on Streets and Highways by Mr. Lindman in his report which was published in December 1946.

As a member of the Advisory Committee of the Joint Fact-Finding Committee, the Private Truck Owners were requested to present our views with reference to this type of taxation, and although the time permitted for preparing such a statement was very short, we did make a presentation on December 21, 1946, in which we opposed the tax in

principle. At that time there were no bills on which to speak. Our organization has consistently opposed the ton-mile tax each time it has been introduced in the Legislature because we did not believe it is a sound measure of taxation.

I am merely referring to this history to let you gentlemen know that we went on record with the Joint Fact-Finding Committee as being opposed to the ton-mile type of taxation.

There is nothing new in Assembly Bill No. 8 or Senate Bill No. 11, or Senate Bill No. 5 which would cause us to change our viewpoint in this regard. In order to understand our viewpoint on this matter, I wish first to review briefly the present method of taxation of vehicles and their operations in California. The taxation of commercial vehicles in California for highway purposes which has been in effect for a number of years has accomplished as follows:

Every commercial vehicle, regardless of weight and size, must be registered and a registration fee of $3 is paid for each such vehicle. For commercial vehicles which weigh more than 3,000 pounds, an additional fee, known as the "weight fee," must be paid. This fee is based upon the unladen weight of each vehicle. Commercial vehicles may be broken down into two general classes—one; passenger type vehicles which are operated for hire, including taxicabs and busses, and, two; those used primarily for the transporting of property, including trucks, tractors, and trailers and semitrailers.

Under our present weight fee system, as defined in the Motor Vehicle Code, the fees applicable to these two general types of vehicles are further broken down between those which have two or less axles and those which have three or more axles. Two-axle fees are as follows:

For those having an unladen weight of between 3,000 and 6,000 pounds, the fee is $8.

For those having an unladen weight of between 6,000 and 10,000 pounds, the fee is $40.

For those having an unladen weight of over 10,000 pounds, the fee is $50.

There is one slight modification in the fees applying to lighter vehicles which allows certain types of farm vehicles weighing less than 3,400 pounds to be exempted from the $8 fee.

For three-axle vehicles having an unladen weight of over 6,000 pounds, the fee applicable is $70. All of the above fees are on an annual basis.

This method of taxation is very simple in its operation because when the owner first purchases his vehicle he must have it weighed by a public weighmaster who furnishes a certificate, and this certificate is submitted to the Department of Motor Vehicles at the time when the vehicle is first registered. Therefore, unless the vehicle weight is modified, the weight fee is payable annually in the same amount which means a very low cost of registration and enforcement. It also has the advantage of providing a low administrative cost for the operator of the vehicle.

The cost of registering vehicles and the collection of the weight fee by the Motor Vehicle Department has been stated by the department in a letter over the signature of Mr. Lampton, the director, and printed in the Assembly Daily Journal of the Extraordinary Session of March 5, 1947. According to Mr. Lampton the entire cost of operation of the

Division of Registration for the Ninety-seventh Fiscal Year, that is, July 1, 1945 to June 30, 1946, was $2,583,635.59, for registering 3,272,038 vehicles of all types, and the average cost per vehicle was slightly less than 79 cents. While it is true that this covers all types of vehicles, we do not believe that there would be any appreciable difference between registering an automobile and a commercial vehicle, particularly in view of the fact that most of the operations are re-registration and not registration for the first time, and we refer again to this figure later on.

In addition to the weight and registration fees, commercial vehicles are also taxed on the fuel which they use in their operations on the highways. The gasoline tax is in itself a tax on the operation of each vehicle directly proportional to the mileage at which it operates. The amount of gasoline tax paid for a vehicle is also related to the weight of the vehicle so that the gasoline tax on the heaviest types of vehicles may be from five to seven times as much as for an automobile. The question of whether or not this difference in gas tax paid for the heaviest vehicles as compared with the lightest vehicles is sufficient to compensate the State for any difference in cost of maintaining highways and bridges will be discussed later on in this presentation. However, at this point we wish to state that the gasoline tax as a mileage tax has been recognized as the most equitable form of taxation as well as the simplest to enforce and collect. While it is actually a mileage tax related to the size and weights of vehicles, it is automatically metered, and therefore practically the entire proceeds may be devoted to the purpose for which the tax is collected.

The third form of tax which applied to commercial vehicles is the 3 percent transportation tax which applied to all for-hire property carriers and for-hire passenger carriers in their operations outside of the cities. It also applied to those private trucks, whose owners, because of business policy, collect a charge from their customers for delivery. This tax does not apply to for-hire carriers operating within the cities nor does it apply to the operations of the private truck owners transporting their own goods. For many years the proceeds from this tax have been deposited in the General Fund of the State and has not been used for highway purposes. The question as to the nature of this tax has been one of the controversial issues before this Legislature for some years. As pointed out previously, its purpose was to equalize the tax burden between the certificated for-hire trucks and the highway contract carriers, and was levied in the form of a transportation license tax. Private truck owners have not been opposed to the repeal of this tax, but we are very much concerned as to the policies which were recommended by Mr. Lindman to the Collier committee when he stated that the revenue from this type of tax should be considered as a highway tax and that in substituting the ton-mile tax for the present weight fees it should also include enough revenue to offset the repeal of the 3 percent tax.

It is our feeling that this arbitrary assumption was erroneous and that the 3 percent transportation tax should not have been used in setting up the formula which was used as a basis for allocating highway costs to commercial vehicles. The effect of such a formula is to place a greater burden on private truck owners than is their proper share of the cost of building and maintaining the roads.

With reference to the present weight and registration fees and gasoline tax paid by operators of commercial vehicles as a whole, the amount

paid is approximately 31 percent of the total amount received by the State from these two sources. This is without reference to the amount paid under the 3 percent transportation tax.

In making his recommendations to the Collier committee Mr. Lindman included as one source of revenue for highway purposes the so-called ton-mile tax, which included a scale of fees to raise approximately $22,000,000 per annum on commercial vehicles but which would repeal the present unladen weight fee schedule and the 3 percent transportation tax. The basis for this ton-mile tax recommendation was in Mr. Lindman's opinion that the tax collected should be directly proportional to the weight and mileage operated by the various types of vehicles. We believe that this is an unsound basis because the cost of building highway is not directly proportional to the weight of the vehicles operated, and no other authority than Mr. Lindman himself, has gone on record as giving the reasons why the cost of building highways is not directly proportional to the weight of the vehicles. In order to be specific, we will refer directly to Mr. Lindman's own statement in a brochure which he prepared for the National Highway Users Conference and entitled "Effects of Weather and Heavy Loads on Pavements," published in January, 1941.

Without taking the time to publish the entire statement, we wish merely to refer to the important facts outlined by Mr. Lindman which have not been refuted by leading engineers and which have been substantiated by our best authorities. Mr. Lindman stated with reference to vehicle weights and highway costs as follows:

"The cost of constructing general use highways adequate for the largest, heaviest vehicles permitted by the American Association of State Highway Officials limitations is little, if any, more than the cost of such highways adequate only for passenger cars and other light weight vehicles. In fact, the cost of highways could not be reduced substantially if all trucks and busses were removed from the highways.

"The relation between wheel load and required pavement strength is one that cannot be described by a simple didactic statement. Many factors are involved.

"Abrasive wear or the grinding away of the road surface by the wheels of vehicles was a matter of great importance in the early days of road-building. All vehicles are now equipped with pneumatic tires which produce no appreciable wear on types of surface suitable for main highways."

Mr. Lindman summarized his viewpoint on the principles in the following "highlights."

"The cost of moderately used highways could not be reduced substantially if all trucks and busses were removed.

"Progress in automotive engineering has made the large truck and bus easier on the pavement by such features as scientific apportionment of weight among axles, modern springs and dual balloon tires.

"The wheel load, rather than the gross load, determines the effect of motor vehicles on pavements.

"The distribution of the gross (combined weight of cargo and vehicle) load, therefore, is the item of major consideration."

Now, this is important:

"Pavement costs do not constitute the major portion of highway costs. The major cost is represented by excavation and preparation of subgrade, purchase of right of way, maintenance, engineering and administration. These costs would be the same irrespective of size and weight of vehicles carried.

"Climatic conditions, subsoil variations and characteristics of concrete require that pavements be of sufficient thickness to hold together without cracking, buckling, sliding out of position, or tipping out of alignment."

These principles have been substantiated by Commissioner Thomas H. MacDonald of the United States Public Roads Administration.

One of the experts of the Collier committee was Mr. Kennedy, and we wish to refer to a statement published by Mr. Kennedy in his Report on Engineering Facts. Mr. Kennedy went to quite considerable length in reference to this matter of highway costs, and here is what he says:

"It would be highly desirable to determine the effects of large and heavy vehicles on road costs, which are influenced by standards of design. Difficulties involved in reducing the assumed differential requirements of vehicles to measured cost are reflected in the fact that numerous approaches to the problem have resulted in a general lack of agreement. This is because no engineering formula has been developed for measuring the proportion of construction costs chargeable to the various kinds of vehicles. The paramount fact is that California road facilities have been developed for the joint use of mixed traffic, in whatever proportions it may occur, and it is not now possible to determine the extent to which special costs have been incurred for the benefit of any one class of vehicle. * * * In order to determine the total effect of trucks on the number of lanes, it would be necessary to analyze each mile of road on which the volume of traffic is approaching the point where conversion to more lanes would be necessary.

"Pavement design is based upon the anticipated number of 5,000 pound wheel loads that may occur daily during the life of the roadway. The standards for a particular road result from detailed studies of the nature of the supporting material in the subgrade, climatic conditions and other factors which vary widely between locations.

"To determine the over-all effect of truck operation would require detailed engineering analysis of each section of roadway, covering the surface design necessary for the number of commercial vehicles expected to use the road."

These brief discussions are sufficient to indicate the difficulties, within the limits of present knowledge and experience, of measuring accurately the specific roadway requirements of the various types of vehicles now in operation. It is desirable, however, that research in this field continue with the objective of ultimately providing the data needed to answer the question.

We also wish to refer to a statement of the California Division of Highways, which is published in Mr. Lindman's Report on page 11, as follows:

"Pursuant to an inquiry from the committee, the California Highway Division submitted information pertaining to the effect of heavy vehicles upon the design and cost of highways. The inquiry was designed

to elicit facts or opinions pertaining to the incremental cost approach as it applies to state highways. The division stated that the effect of heavy vehicles on the cost of surfacing cannot be determined directly since the structural design of the roadway is influenced by such factors as the quality of the foundation and surfacing material, as well as by the number and magnitude of the loads to which it is expected the highway will be subjected."

We place particular emphasis on these opinions which have been expressed in the reports to the Collier Joint Fact-Finding Committee—statements made by their own experts and indicating that the committee was advised of these matters prior to making its recommendation to the Legislature. We have yet to find any competent authority in this Country who has ever held that the cost of building highways is directly proportional to the weights of the vehicles using them. Nevertheless, the main argument presented to the Collier committee in support of the ton-mile tax was that the gasoline consumption of the various types of vehicles does not vary directly in the proportion to the weight thereof.

As to bridges and culverts, the designing of which must take into consideration the entire weights of vehicles operating over them, Mr Kennedy reported that even in such instances it was only possible to allocate to the heaviest vehicles between 8 percent and 12 percent of the cost of building such structures. This is in direct contradiction to the statement which has recently been made to your committee by one of the witnesses who stated that he had heard a rumor to the effect that it would cost 40 percent more to build highways for the heavy trucks than it would to build them for automobiles.

In 1936 Mr. Lindman made a report to the Washington Highway Cost Commission recommending a ton-mile tax in that state, but this was repudiated by the State of Washington During the course of discussion, a presentation was made to the committee setting forth the views of the private truck operators with reference to this tax and we think the following excerpts from this presentation contain the meat of the argument against the ton-mile tax.

"We have listed the basic arguments against the tax; namely, that it can take no account of the value of the commodity hauled; that it is not the fairest or soundest measure of wear and tear on the highways; that the costs of enforcing the tax are bound to be excessive as are the burdens of the operator.

"It seems to us that one of the most fallacious theories in motor vehicle taxation is that the ton-mile tax is an equitable tax. It is often suggested that all the inequalities of motor vehicle taxation could be wiped out if only a mileage meter could be put on every truck and a tax paid in proportion to the readings; but after all, the ton-mile tax is what its name indicates—a tax based on two factors, tonnage moved and mileage traveled—and since the product of these two factors, tonnage moved and mileage traveled—measure the tax, it is obvious that if either cannot be accurately ascertained, the resulting tax cannot be correct or sound. Now, it is relatively simple, mechanically, although expensive, to measure the mileage; but to date there has not been devised any method to measure accurately variations in tonnage. It is true that the commission has injected a 40 percent factor into consideration of the

problem but even that cannot remove the inequalities that exist between various types of for-hire trucks, busses, and private carriers."

Consider for instance the private carriers. The data obtained by the commission shows the operation for such trucks to be entirely different from the operation of various classes of for-hire trucks with regard to mileage, average tonnage and ton mileage, and speed. A recent survey by the California Railroad Commission of the loading of trucks, Decision No. 25243, Case No. 3154, decided October 10, 1932, shows that out of 12,292 private trucks stopped on the highway, 4,645 or 38 percent were empty. Out of 1,874 certificated for-hire vehicles, only 376, or 20 percent were empty. Obviously, if the tax per mile applied equally to both types of trucks, the private trucks would be paying a much higher rate per actual ton mile than the for-hire carriers.

Again, the private operators, such as the wholesaler, starts unloading soon after leaving the warehouse and makes the return trip empty. His loading factor may be as low as 10 percent. The farmer, the milkman, the dairyman, are in a similar position. Everyone is familiar with the fact that an oil truck starts out loaded but begins to dispose of its load almost immediately after it leaves the bulk plant. A farmer who trucks his produce to town makes a return trip as does the driver of an oil truck, with an empty vehicle. But on a ton-mile basis he would be paying a tax as if his truck were fully loaded while travelling in both directions. These are typical and glaring inequalities which cannot be eliminated in a ton-mile tax.

These same considerations indicate that a ton-mile tax is bound to be inadequate as a measure of wear and tear on the highways. A mileage meter cannot differentiate between speeds, and the commission has shown that speed is a factor in the consideration of wear and tear. It has not yet been satisfactorily demonstrated that a meter mechanically constructed will stand up in ordinary use without causing difficulties of all kinds to the operator and state officials. It has not been devised.

The State of Oregon, after the adoption of its ton-mile tax, as this commission perhaps knows, adopted hub meters, but the cost of installing them and maintaining them was so excessive and the experience which the operators had with them in every-day use, some of them being knocked off and broken and others put out of commission, some failing to register, others registering improperly, resulted in their abandonment to the detriment of the honest operator because, while he reports his mileage accurately and his books can be checked, the smaller operator or the operator not so well known and who does not keep books, and whom the State cannot afford to follow up, escapes without any tax The enforcement of the ton-mile tax without meters thus penalizes the honest taxpayer and this fact is recognized.

Advices from other states indicate that the cost of administration of the ton-mile tax is unreasonably high. In 1934, we are advised, Tennessee collected about $80,000 and spent almost 50 percent of it in administration. A committee appointed by Governor Bryan in Nebraska sometime ago reached the conclusion that such a tax is unenforceable.

In order to exemplify the inequalities of this ton-mile tax as applied to private truck owners, we wish to show how one large group of private truck owners is affected. The farmers in California own about 30 percent

of the commercial vehicles. It is generally known that farmers' trucking operations are seasonal in nature and that their heaviest hauling is during the harvest season. The balance of the year, if their trucks are operated, they are only partially loaded, and like other private truck operators, on the return trip the truck is generally empty.

A survey was made last month on farmers' truck operations covering transportation incident to the production of the following commodities: Avocados, sugarbeets, citrus fruits, milk, eggs, feed, deciduous fruits, vegetables, walnuts, and cattle. Because a great many farmers operate what is known as a 1½-ton truck, which has been found to be more economical and efficient for farm operations, a study was made of this type of unit.

It was found that the average unladen weight of 344 such units was 5,382 pounds, and that these vehicles were subject to the present $8 weight fee A check of the loading operations of such vehicles showed that the average gross weight of such vehicles was 12,413 pounds, but the average maximum gross weight of such vehicles was 15,782. Furthermore, over 40 percent of these vehicles had gross weights of over 16,000 pounds The average mileage of these vehicles was 4,816 per annum, of which 66 was on highways, and 34 percent of the mileage was on the farms.

It was found that only during 19 percent of the year were these vehicles subject to any loading approaching the maximum gross weights, and taking into consideration the actual mileage operated on the highways, the data showed that only 4½ percent of their annual mileage on the highway was operating with maximum loads The balance of their annual mileage on the highway was operated with the vehicles either empty or partially loaded. Furthermore, 34 percent of their mileage was operated off the highway and yet under a ton-mileage tax, these trucks would be taxed as though fully loaded during the entire annual mileage and as though all the mileage were operated on the highways Under Assembly Bill No 8, the ton-mile fees on 344 units would be $20,640, compared with $2,752, the present weight fee.

While it is true that under Assembly Bill No. 8, as now drawn, most of these trucks would be subject to the minimum tax during most of their months of operation, nevertheless, a farmer whose truck is over 12,000 pounds gross weight must make a monthly report on mileage and make a payment of the minimum tax during those months when his mileage would be under 833 miles I might intersperse that Senate Bill No. 5 has been amended to increase the exemptions to 16,000 pounds, but as I pointed out a few minutes ago, over 40 percent of these were running over 16,000 pounds gross weight and they would still be affected.

During any month in which his truck operations were over 833 miles, he would have to pay the tax based upon such monthly mileage according to the mileage schedule. It is obvious then that to tax such operations on a ton-mileage basis is not only extremely unfair and inequitable but the actual proceeds from such operation would be largely eaten up by the enforcement cost to the State and administrative expenses to the farmer.

In exemplifying further the gross inequality of this ton-mile tax, we have used another type of vehicle operated in wholesale distribution. This vehicle is also a ton and a half model with a special body which makes its unladen weight 9,200 pounds. The maximum weight of any

load which this truck would carry is 3,600 pounds, which would make a total gross weight of this vehicle of 12,500 pounds. We made a complete analysis of the loading of this vehicle as to its mileage and gross weight for a two-week period, which is typical of its operation during the entire year. The actual tonnage miles per annum of this vehicle was 58,700 ton-miles per year, with a total operation of 10,556 miles. This vehicle used 1,794 gallons of gasoline, so that the total gasoline tax paid for this operation would be $53.82. The weight fee paid for this truck is $40, and the registration fee is $3, so that the annual gasoline tax and registration fee for this vehicle is $96.82; on a ton-mile basis this would mean the total tax paid would be $1.65 per 1,000 ton-miles of operation.

Going to the ton-mile method of taxation, this vehicle would be presumed to be taxed as though it were fully loaded up to the maximum for which it would be registered, and that on the basis of the statements which were made for such vehicles would be registered for twice its unladen weight or a total of 105,244 ton-miles.

If this vehicle were taxed on the basis of 18,400 pounds gross weight, the annual tax for 10,556 miles would be $86.56; whereas, actually the average gross weight of this vehicle produced 58,700 total ton-miles per year.

In comparing this truck with the basic automobile which weighs approximately 3,480 pounds, and goes 15¼ miles per gallon, and paying a registration fee of $3, such vehicle would produce 18,367 ton-miles on the highway in a year and would pay a tax of $23.49, or $1.28 for 1,000 ton-miles. In other words, the average automobile on a ton mileage basis is only paying 71½ percent as much as this private truck transporting wholesale food products.

In 1936 we made an extensive study of truck operations involving about 10,000 trucks. We studied all phases of the operation of these vehicles involving gasoline taxes, mileage operated, unladen weights, ton mileages, and gasoline consumption. Information which we secured showed that the total taxes and fees per 1,000 ton-miles of operation was $1.61 on the basis of an average 11,160 miles per annum per vehicle. This compares with $1.28 per 1,000 ton-miles for an average automobile traveling the same distance and weighing 3,480 pounds, and securing 15¼ miles of operation per gallon of fuel consumption. In other words, when the loading factors of private trucks were properly taken into consideration there is no deficiency of tax per ton-mile at the present time, and therefore, there is no basis for changing our present method of taxation to such a complicated expensive method as a ton-mile tax method.

This organization made studies of weight fees and methods of taxation during 1935, 1937, and 1938, and secured a great deal of basic data on the operations of the vehicles. This information was used to formulate unladen and gross weight fee schedules to substitute for the unladen weight schedule now in the Vehicle Code but mainly to make the tax more equitable as between the various types of vehicles owing to the fact that the design of trucks and other types of vehicles has very materially changed since the unladen weight fee schedule was adopted.

The private truck operators realize the difficulty of trying to work out a fair allocation of the cost of building highways amongst the various

types of vehicles because there is no authentic information yet available on this subject. However, if and when this legislature determines the actual revenue needs of the State, we shall be glad to cooperate with the Legislature to the fullest extent in working out a fair and equitable plan of taxation of trucks.

With reference to the cost of administration of the ton-mile tax, it was stated to the Collier committee by representatives of the Board of Equalization that based upon the experiences in the State of Oregon, the cost to the State of administration of this tax would approximate 5 percent This, however, only includes the actual collection of the ton-mile tax, by the Board of Equalization, and had no reference to the cost of registering these same vehicles with the Motor Vehicle Department nor the cost of policing which would be incumbent upon the Highway Patrol. In view of the fact that the board's figures of 5 percent were based upon the Oregon tax, which is approximately twice as high as the proposed ton-mile tax in Assembly Bill No. 8, and if the average cost per vehicle were to be the same, then it leads to the conclusion that the actual percentage of cost in California would be 10 percent of the money received. Since the estimated revenue from the ton-mile tax was to be $22,000,000 on a 10 percent basis, it would mean that the cost of collection would be $2,200,000. Because of the fact that Assembly Bill No. 8 requires payment of the tax each month and requires auditing of books, and so forth, it is not out of reason to assume that this 10 percent figure is correct.

It was also pointed out to the Collier committee that this proposal would affect approximately 70,000 private and for-hire trucks. If this figure is correct, then the cost of enforcement to the State would approximate $31.40 per vehicle per annum. Because each of these 70,000 vehicles would also have to be registered with the Motor Vehicle Department at an average cost to the department of 79 cents, this would make a total cost per vehicle of $32.19, as compared with the present method of taxation which costs the Motor Vehicle Department 79 cents per vehicle.

Of course the proponents of this measure, Assembly Bill No. 8, would say that the repeal of the 3 percent transportation tax would eliminate the cost of collection of the 3 percent tax, and that is true. But if the method of taxation selected to replace it were not so complicated, the fact still remains that the cost can be held down to 79 cents per vehicle as compared with $32 19 per vehicle.

We believe that these figures indicate to the Legislature the effect of the adoption of such a complicated method of taxation. The private truck operators themselves realize what the ton-mile tax would cost them to administer in installing meters on their trucks and trailers not now so equipped, and in keeping such meters in repair. Also the cost of checking monthly reports and submitting them to the State. It has been estimated that this cost to the operator would be no less than 20 percent of the total revenue collected.

We believe that these estimates are reasonable, and based upon sound judgment, and the experience we have had in registering our vehicles and payment of the present weight fees.

In summary we wish to repeat that the private truck owners are unanimously opposed to the ton-mile tax, because: First, the tax is

unsound in principle. Secondly, it is so complicated in its operation that it is proposed to virtually set up another motor vehicle department in order to enforce the tax. Third, the cost of enforcement is excessive and prevents the application of the funds to the main object of building roads; and fourthly, the administrative details which must be borne by the operators are so cumbersome, and the cost is so great that business firms throughout this State who use motor vehicles as an incident to their business are extremely bitter in their opposition to this form of taxation.

Thank you, gentlemen.

CHAIRMAN HOLLIBAUGH: Thank you, Mr. Anderson.

Are there any members of the committee who wish to ask Mr. Anderson a question? Mr. Thomas?

ASSEMBLYMAN THOMAS: Mr. Anderson, are you opposing—I'll put the question this way. Is your association opposing the bills we are considering here today; Senate Bill No. 5 and all of the highway program bills?

MR. ANDERSON: In part, Mr. Thomas. Our association, as pointed out to you in my presentation, is opposed to the ton-mile tax method which is included in Senate Bill No. 5 and Assembly Bill No. 8.

ASSEMBLYMAN THOMAS: Are you opposed to any of the features of the gasoline tax?

MR. ANDERSON: We have never opposed that.

ASSEMBLYMAN THOMAS: You have not opposed that feature, have you?

MR. ANDERSON: We have not taken any stand in that, because of the controversial nature of that problem.

ASSEMBLYMAN THOMAS: Are you opposing the feature as to the increased registration fee?

MR. ANDERSON: We have not opposed it, no.

ASSEMBLYMAN THOMAS: Are you opposing the increase of drivers' license fees?

MR. ANDERSON: As an association, we have not opposed it

ASSEMBLYMAN THOMAS: Therefore, only one feature which you are opposing in all of these bills, dealing with the weight tax?

MR. ANDERSON: It is the only point in which I refer today.

ASSEMBLYMAN THOMAS: Now, are you opposing any increase in the fuel tax?

MR. ANDERSON: We have not opposed it yet.

ASSEMBLYMAN THOMAS: Are you anticipating opposing it?

MR. ANDERSON: There may be some question brought up but we anticipate by that time this Legislature will know whether or not additional revenues are going to be needed.

ASSEMBLYMAN THOMAS: So I am correct in saying that the only bill of all these bills that you are opposing would be the weight tax on trucks?

MR. ANDERSON: That is right.

ASSEMBLYMAN THOMAS: Now, you say you are opposing the recommendations made by the Collier committee on weight truck taxes as an equitable tax that you think should be imposed on the trucks?

MR. ANDERSON: What we would recommend in that there be no change in the present method of imposing weight fees on commercial

vehicles, in other words, we would recommend that you use the unladen weight method of taxation.

ASSEMBLYMAN THOMAS: In other words, your contention is that we can go ahead and increase the gas tax; we can go ahead and increase the registration tax, but to leave the weight tax the way it is on the trucks—trucks for-hire, and we have a sufficient amount of funds to carry on the highway program?

MR. ANDERSON: No, you misunderstood me, Mr. Thomas, I don't think I said that. We said that there should be no change in the method.

ASSEMBLYMAN THOMAS: In the method?

MR. ANDERSON: That's right.

ASSEMBLYMAN THOMAS: You think that 50 percent reduction of the present recommendation of Senate Bill No. 5 on the weight tax would be a justifiable increase for the trucks?

MR. ANDERSON: Well * * *

ASSEMBLYMAN THOMAS: What I am trying to decide, if you are coming here opposing that feature, I am trying to find out what you have to supplement that, that would be a justifiable increase?

MR. ANDERSON: Well, Mr. Thomas, let me say again; first, that if the committee decides that taxes on highway users must be increased at this time, then the private truck owners recognize that as users of the highway, it may be necessary to increase their weight fees and we are willing to bear our fair share of the increased burden of these taxes, if such decision is reached. We are prepared to offer constructive suggestions for the consideration of this committee.

ASSEMBLYMAN THOMAS: All right, now, since you advocate that all of these bills and Senate Bill No. 5 make this provision; that all of the trucking industry will pay will amount to $19,000,000 a year, that is an approximate figure, and that $19,000,000 distributed in the trucking industry in increased fuel taxes, the weight tax, and on the other side you have the motorist paying $67,000,000 and an increase in the gasoline tax, the registration fee, and the driver's license fee. Now, don't you think that is an equitable proportion of the distribution of the taxes?

MR. ANDERSON: I do not

ASSEMBLYMAN THOMAS: Nineteen million on one side and sixty-seven million on the other?

MR. ANDERSON: Well, that isn't quite right as a proportion, Mr. Thomas.

ASSEMBLYMAN THOMAS: That is the aggregate approximate amount.

MR. ANDERSON: Because in the first place, any increase, if you should increase gasoline taxes * * *

ASSEMBLYMAN THOMAS: Pardon me, I am using the nineteen million as the nearest figure that I can get of the trucking industry.

MR. ANDERSON: If you presume, for instance, that there is a need for increasing the gasoline taxes, and that is decided, it is obvious that a portion of that gasoline tax would be already absorbed by the various types of trucks, and as I pointed out, we believe about 26 or 27 percent of that falls on trucks, so that there is an increased burden on those who operate trucks. Right there, we will say, in order to determine what is a fair share of the burden to be applied to the private truck owner in this matter, that the $19,000,000 is not the proper formula, because it takes into consideration $7,000,000, or approximately $6,500,000, which has

been paid by the 3 percent tax which has gone into the General Fund, that therefore, in allocating what was originally about $22,000,000 on the trucks, it included $7,000,000 which has been going into the General Fund. We don't think that is sound.

ASSEMBLYMAN THOMAS: Well, if this program is adopted, that 3 percent gross tax will be eliminated.

MR. ANDERSON: I believe that is included in Senate Bill No. 5, and Assembly Bill No. 8, but the effect of that in that method is to allocate a large portion of that 3 percent tax to the people who are not now paying any property taxes. If we consider the weight fees and gasoline tax are the proper method of taxes as applied to the users of the highways, it is a mistake to consider that the trucks should be liable for all the wear and tear of the highways after construction of the highways, then some figure, seven million dollars roughly, what was suggested, would be the proper percentage to apply to these trucks, and on that basis, I don't think you have—you are going to have any trouble if it is necessary to bring in revenue.

ASSEMBLYMAN THOMAS: Would you say that the trucks have been paying their fair share up to now?

MR. ANDERSON: I would say according to the figures we have received and after talking with all the authorities that we could get hold of, we believe that the trucks through their various fees, weight fees, registration fees, and gasoline taxes, have been paying a fair proportion of the cost of building roads.

ASSEMBLYMAN THOMAS: There are several subsequent questions I would like to ask your opinion of, which are not dealing specifically with the tax program; one, do you think we need new state highways?

MR. ANDERSON: We certainly need highways to improve the conditions of congested areas.

ASSEMBLYMAN THOMAS: Do you think that the critical deficiency part of our highways situation should be immediately corrected?

MR. ANDERSON: As far as our revenue and as far as they can be allocated to the construction, those are facts which must be taken into consideration.

ASSEMBLYMAN THOMAS: Do you think the Legislature should regulate the expenditures of all these funds in all these bills?

MR. ANDERSON: That is one * * *

ASSEMBLYMAN THOMAS: I mean, should you have it placed in the budget and earmark it for new construction and know where it is being spent?

MR. ANDERSON: That is one policy we haven't taken a stand on.

CHAIRMAN HOLLIBAUGH: Better declare a recess here for 10 minutes so our reporter can have a recess and replenish his machine.

(Thereupon a 10-minute recess was had.)

CHAIRMAN HOLLIBAUGH: Meeting will come to order. Mr Geddes is next.

ASSEMBLYMAN GEDDES: Mr. Anderson, the question I have, I am just trying to develop a few of the points you have covered in your testimony. While I realize that it will be, of course, in the record, I would just like to get these points clear.

As I understand it, we will say first, that the cost of operating a truck or an automobile is reflected to the user or other owner in the amount

of gasoline which he consumes, that the amount of gasoline which it consumes varies because of a number of factors; one is the condition of the motor; two may be the weight, and also the personal factor of the driver and how the vehicle is used, so in the first process of equalization, there is a self equalization there, if our other factors are equal according to the weight actually being carried and the weight of each individual vehicle, so the vehicle uses twice as much gasoline as another. There is a conclusion to it, that it takes as much gasoline as the first vehicle, and then taking for granted for the sake of an argument, that because of the amount—on account of the construction of trucks, they are much more efficient, and there is still perhaps some ground to say that trucks should sometimes pay some over, additional over, so that would come in the straight weight tax on the license, on a weight license tax which is a different thing than the ton-mile tax. Now, that, of course, would attempt to make the final equalization between the different types of vehicles.

Now as to ton-mile taxes * * *

MR. ANDERSON: Pardon me, did you want to ask me a question? I'd like to merely say this, Mr. Geddes, that we recognize that the weight fee plus the gasoline tax is the combination that we pay for the use of the highways.

ASSEMBLYMAN GEDDES: That's right, in that it is directed toward making an equalization, if there is some basis for the point that a truck bearing weight should pay more than a light car.

MR. ANDERSON: There are very many theories of why that weight fee is in effect.

ASSEMBLYMAN GEDDES: Well, yes—I understand that we are going to do something on that, but then specifically and primarily because it would be particularly to private operators a very lengthy and expensive process to figure out all of the ramifications of making a report on ton-miles would lead to the single truck operators, or even the small ones with two or three, an almost impossible task, and probably one in which there will be mistakes made in making reports?

MR. ANDERSON: That is right.

ASSEMBLYMAN GEDDES: At least he would be subject to making a check to see if he made a mistake.

MR. ANDERSON: One of our operators that is operating in Oregon where there is a tax like this, he has a relatively small fleet of trucks up there, they have come around seeking the mileage and they have maps and so forth and he said one of the auditors for the state spent a whole week in his office to check on their mileages for last year and see if they were right, with the result that the auditor filed an error of sixty cents, about.

ASSEMBLYMAN GEDDES: During the war I had the responsibility of auditing for a company its ODT records which are a good deal the same thing, kept the records of 287 cars that are owned by this concern, they are all light trucks. We had to account for all gasoline and mileage, and if they weren't accounted for, we didn't get any more gasoline, so we had to be very careful. Now, with that 287 trucks, it took 40 hours a month of one employee's time to merely make a posting that each driver made of his individual operations, then the thing took my time in auditing those, because I had to sign the certificate that went into the ODT. We could visualize then that all over the State of California, that would be

going on, plus an additional tax on the industry in forms of pay rolls, plus the state pay roll, whether it is paid through the State Board of Equalization or some other board, and it would be taking all that away from actual highway construction, and we would have that very tremendous cost to present as a very valid objection, in your opinion, to the ton-mile basis?

MR. ANDERSON: Absolutely.

ASSEMBLYMAN GEDDES: So this, then, affects, so far as an owner of a truck is concerned, not for-hire trucks—we are talking about * * *

MR. ANDERSON: We are talking about private trucks.

ASSEMBLYMAN GEDDES: It is their concern then that the mere imposition of such a tax means the imposition of an additional tax in increased expenses to operators of those vehicles?

MR. ANDERSON: That is a point I wanted to make, you see. Thank you.

CHAIRMAN HOLLIBAUGH: Mr. Knight.

ASSEMBLYMAN KNIGHT: Mr. Anderson, I believe I understood you to say that in effect, in case it seemed advisable for an additional tax to be levied for the users of the highway, that if your organization or those you represent—they would be willing to pay their just proportion of any such increase?

MR. ANDERSON: That is correct.

ASSEMBLYMAN KNIGHT: And we, for the sake of framing the question, assuming that we were to increase the tax on gasoline 1 cent a gallon, that is thirty-three and a third, what percentage of increase, if any, do you believe would be fair and reasonable for your constituents to bear as an increase in the tax burden?

MR. ANDERSON: Well, I would say that it would be fair to assume somewhere in the neighborhood of 33 percent or 50 percent, but somewhere in the neighborhood of 33 percent, but since we have others in addition to the gasoline tax, but they would pay a small increase to equalize the burden, on the basis of the entire expenditure.

ASSEMBLYMAN KNIGHT: In any event, then, you are prepared to say that your organization would support an increase in taxes on a basis that would be comparable to the percentage of increase in the gasoline tax?

MR. ANDERSON: On an unladen weight fee basis, yes, sir.

ASSEMBLYMAN KNIGHT: Thank you, Mr. Anderson.

CHAIRMAN HOLLIBAUGH: Mr. Waters?

ASSEMBLYMAN WATERS: Mr. Anderson, you mentioned that Oregon employs a ton-mile tax in its program. How long has that tax been in effect, do you know?

MR. ANDERSON: It has been in effect so far as I know about 12 or 14 years, at least. I think it is about, as I mentioned, in 1936 we referred to it then, it was in operation at that time.

ASSEMBLYMAN WATERS: How many other states employ the ton-mile tax?

MR. ANDERSON: There are several other states, including Colorado and Utah. I am not sure whether Utah is now in effect, but several have them. No major state has the ton-mile tax in operation.

ASSEMBLYMAN WATERS: Are these programs substantially in accord with the one proposed in Senate Bill No. 5, these states that have the ton-mile tax?

MR. ANDERSON: There are variations. The Oregon tax has one tax on the highway program, and they have one on the private roads and streets, when they are operating in the cities, and consequently they have quite an enforcement problem. They recognize the fact that when these trucks are operating in the cities they shouldn't attempt to tax them on a mileage basis, and so when they attempt to tax them using the major highways, and so forth, it is quite a very complicated situation. We have always had difficulty with them.

ASSEMBLYMAN WATERS: What other tax methods are employed by some other states?

MR. ANDERSON: Some use the gross weight fee method, and a great many of them still use the unladen weight fee basis, some use the poundage basis, and they have different combinations, but generally speaking, most of them use either a gross weight fee basis or an unladen weight fee.

ASSEMBLYMAN WATERS: Does your organization take any position on the gross weight fee basis?

MR. ANDERSON: We have made a very careful study of that, in fact, ever since the proposal was made in January, we have had some very fine people working on it. We have had a consulting engineer making a study for us on gross weight fees, and some others, and after due consideration and discussion of this problem with all the different groups affected, including the farmer, and some others, we have concluded that the cost of administering and the simplicity of the unladen weight fee would probably be the best, so we would prefer to have the unladen weight fee in preference to the gross weight plan.

ASSEMBLYMAN WATERS: However, the gross weight plan would still be preferable over the ton-mile plan?

MR. ANDERSON: Oh, absolutely, it would be far better than the ton-mile.

ASSEMBLYMAN WATERS: Did you have any compilation of all the taxes and systems employed by the different states that might be submitted to the committee?

MR. ANDERSON: I don't have it today, but I could get it for you in 24 or 36 hours.

ASSEMBLYMAN WATERS: I would appreciate it if you could submit that to us.

MR. ANDERSON: We will, yes.

CHAIRMAN HOLLIBAUGH: Mr. Ralph C. Dills.

ASSEMBLYMAN RALPH DILLS: Mr. Anderson, if I understood you correctly, in response to questions by Assemblyman Thomas, you stated that your organization was not opposed to any feature of Senate Bill No. 5, or the taxing feature contained in the bills before this committee, other than the ton-mile tax. Is that the implication or the statement which you desire to have us believe—is that what your organization believes?

MR. ANDERSON: Mr. Dills, I said in response to Mr. Thomas' question: "Are you opposing any other part of this Senate bill", as I already said, we are not opposing any particular part of the program except the ton-mile tax. We have not taken any stand yet on the matter of doubling the plate fees on automobiles. We have not taken any stand on the question of raising the driver's license fees to four or five dollars. In response to the question of whether we are interested in some of the phases of this

fuel tax, I stated that there might be some angles of that that we might be interested in if it is found that we need more revenue from that source.

ASSEMBLYMAN RALPH DILLS: Well, you are aware, aren't you, that this Senate Bill No. 5 has passed the Senate? Did you appear before the Senate committee or any committee or any manner bring the information to the Senate that you were opposed to any feature other than the ton-mileage tax?

MR. ANDERSON: No sir, we did not. We said nothing about any feature of this program before their Transportation Committee except on the ton-mile tax.

ASSEMBLYMAN RALPH DILLS: Well, then, if silence gives consent, are we to infer that that is the only thing about the bill that really worries your organization?

MR. ANDERSON: Well, we could say this, Mr. Dills, that if the Legislature, in its wisdom, for instance, decided to raise the plate fee on automobiles from three to six dollars, which, of course, would increase our plate fees on private trucks from three to six dollars, we would not be seriously opposed to it if that was the wish of the Legislature.

ASSEMBLYMAN RALPH DILLS: Now, suppose the Legislature, in its wisdom, decided to accept the fuel and gasoline tax increases * * *

MR. ANDERSON: That is the wisdom of the Legislature, that if you need that revenue, we will accept our proportion of it, yes, sir. We are not advocating it.

ASSEMBLYMAN RALPH DILLS: In other words, you have no opposition to the program which you desire to submit at this time, other than the ton-mileage tax, for I think you probably realize that this may be your last opportunity to say it, and I wouldn't want you to think that at some future time that you might have the opportunity to come on this floor and state your opposition because if such a bill goes out of the Assembly, then it is on the floor and you haven't the right to appear. Now, I don't know whether your group is interested any further than what you have said, whether they are not informed as to legislative procedure, or whether in fact, you have any opposition. That is what I am trying to get at, Mr. Anderson.

MR. ANDERSON: Well, I merely repeat, so far as our organization is concerned we have not taken any stand in the other parts of the program.

ASSEMBLYMAN RALPH DILLS: That is fine, if your group feels that they can stand these taxes, and they have no opposition to submit, that, of course, is their prerogative.

CHAIRMAN HOLLIBAUGH: Mr. Heisinger?

ASSEMBLYMAN HEISINGER: Mr. Anderson, there are several proposals before the Legislature aside from the Senate Bill No. 5 which has passed the Senate and is now before us—before the committee—I am not a member of the committee, but I am very much interested in this legislation.

Now, one of those proposals has come from Mr. Geddes; by having an appropriation from the General Fund, and then to have a short-term building program, after which we should take up legislation pertaining to the highways. Do you think that a short-term program or the long-term program as proposed in the Senate bill and some of the other bills is preferable? Which do you think would be the best for the people of California?

MR. ANDERSON: What part of the bill are you referring to?

ASSEMBLYMAN HEISINGER: By the way, I have seen Mr. Geddes' bill, I might state that Mr. Geddes * * *

ASSEMBLYMAN GEDDES: My purpose in introducing the bill which I have, is for an immediate appropriation based on the realization that we do need highways, that there may be some delay occasioned if the Legislature does its duty, as I think they should, as to what our long-range program should be, and what amount is needed to finance it, but the immediate need, as everyone has pointed out that we are short, we are going to be broke if those figures are substantiated, on June 30th, that there are $40,000,000 of additional highways ready to go and an additional $100,000,000 if they had the money. I am just trying to get them the money so that we can have an immediate building program to relieve the present need and then not wait 10 years for all of the critical deficiencies to be taken care of that we would need on the highways.

ASSEMBLYMAN HEISINGER: I thank you, Mr. Geddes. I have a faculty of getting a rise when I throw a fly out.

Now, in answer to the statement Mr. Geddes made to my question, do you think that the State should actually embark on a long-term program of road building in preference to a short-term program?

MR. ANDERSON: Well, Mr. Heisinger, the Legislature expended $120,000 and they hired some experts to lay out a plan. This plan was laid before the Legislature in the form of the Kennedy Report. What has happened to that report you know as well as I do, and probably better.

If this plan that is worked out in Senate Bill No. 5 has not been worked out properly, it is up to you gentlemen to find out. We say that we know there are deficiencies in the highways which must be fixed soon, then whether there is sufficient money on hand to do that job as quickly as possible, and labor is available, is something that you gentlemen will have to decide.

ASSEMBLYMAN HEISINGER: Therefore, you are making no specific recommendation, but do you think that the Kennedy Report as embraced in the Collier Report is more preferable than any other proposition?

MR. ANDERSON: I say that the purpose of the Kennedy Report was to develop the information needed as to what the deficiencies were in the State, and get them before the people in comprehensive form.

ASSEMBLYMAN HEISINGER: This business of these cards, that I just got off these—these oil cards here, and they are so funny. I want to let you have the import of them. One of them says, "stable economy." That is a warning to all of us. Another says, "use money that is coming in, set a safe speed limit, and enforce it, and make trucks pay their share of the upkeep of bridges," and I am glad that you have advised us that the trucking industry is willing to pay their share of the roads. Now, I have another proposition—I had two or three questions, but you have answered them, so I want to leave that, but there is one thing that you make a statement that I can't agree with you, according to my study over many years, that it doesn't take any more money to build a road to accommodate the trucking industry than it does for, say, the automobile.

Now, I want to bring this to your attention, which has come to my attention. My house at the present time rests about 40 or 50 feet from a highway, and there are some big trucks that go over that. I have never

yet felt the vibration of an automobile, but we do feel the vibration of heavy trucks.

Now, is it not a fact that vibration is one of the worst features toward tearing up state highways?

MR. ANDERSON: Well, Mr. Heisinger, Mr. Kennedy covered that very nicely in his report in which he mentioned the fact that you build two different types of highways, either flexible surface, or rigid surface, and you have to make a study in each case to decide what kind of a surface you are going to use. Now, you say that heavy trucks may wear a certain part of the highway out, but I think that is not so if the highway is properly constructed, a heavy truck may run on gravel and get some chuck-holes in it, but on the other hand, I live out in the country, and I have a road running into my place, the only vehicles using that road are automobiles—well, the iceman comes around twice a week, and milkman maybe three times a week, and yet that road is broken and full of chuck-holes, because the automobiles are going on that road fast, and as they go fast, the air sucks all the surface off the road, all of it going up in the form of dust, the first thing you know the gravel is all separated and then the road goes to pieces. You can't blame the truck all the time, when it is the automobile that does it.

ASSEMBLYMAN HEISINGER: I believe you are speaking the exact truth about speeding, but there are many times when I have to get up to a speed of 55 miles in order to pass some of these trucks, and have an awful time getting around trucks.

MR. ANDERSON: I think that the main thing I tried to convey to you was that in design of roads, the factor of the cost, it is not the weight of trucks that determine the cost. The wheel loading is figured into that, your automobile has a wheel loading of about 1,000 pounds, and your big trucks are so designed that the maximum loads they can put on one wheel is 5,000 pounds, and most of the time they are loaded to about 2,500 or 3,000 pounds per wheel.

ASSEMBLYMAN HEISINGER: That evolution they have gone through has really eased up on the highway building cost?

MR. ANDERSON: That is correct.

ASSEMBLYMAN HEISINGER: I thank you very much.

CHAIRMAN HOLLIBAUGH: Mr. Anderson, I appreciate you coming here and I know we have gotten a lot of good from your presentation. I know that when I am driving on the roads more trucks passed me and more automobiles, and I wasn't going slow either. I know in the grape season up and down here that you never get ahead of them.

ASSEMBLYMAN HEISINGER: Some of them you can't pass at all.

CHAIRMAN HOLLIBAUGH: Next gentleman to present his views is Mr. David Sherer, representing the Trucking Industry, Incorporated.

Mr. Sherer, will you take the microphone here, please?

MR. DAVID SHERER: (Executive Vice President, Trucking Industry, Incorporated) Mr. Chairman, and members of the committee. My name is David Sherer, Los Angeles, and I am the Executive Vice President of the Trucking Industry, which is composed of hired motor cars, operating under the jurisdiction of the Public Utilities Commission of California.

In the interest of saving time, and because my colleague, Mr. Thompson, has many important facts and figures to present to you, I

am going to content myself to making a very short general statement. Mr. Thompson will follow with facts and figures.

The members of our industry are sincerely in favor of good highways. We favor a reasonable expansion of our present highway system. We do know that some expanded highway program is needed, however, we agree with Mr. Richard Zettel, who was an expert employed, as you probably know, by the so-called Collier committee, when he reported on page 11 of his analysis of Senate Bill No. 5, he stated, "In reaching a decision the Legislature should properly consider revenue and cost estimates, and it should consider the ability of the State's economy to withstand tax increases without serious consequences"

"The truck tax proposals contained in Senate Bill No. 5 and similar measures are unjust, unsound, discriminatory, costly to collect, and a threat to the State's economy."

"Many of our indispensable truck lines are now operating at a loss, which can be proved by records, surveys, and statements of public utilities commissions, particularly one that was issued last month."

The proposed tax increases in Senate Bill No. 5, if adopted, would force a heavy percentage of our for-hire operators out of business. Misleading statements have appeared as to the amount of these increases. In some cases, if the taxes were passed as in that bill, and were put into effect, certain operators would be increased 600 percent, and another bill at the present time in the Senate proposes to raise trailers as much as 1,000 percent increase, or from $70, to $765 increase.

These proposals, as you see, are very serious for our industry.

The proposal to impose a drastic ton-mile tax has already been commented on by several witnesses. We are very pleased to hear Mr. Davis' answer and analysis, which is the same as the feeling of our group. Vehicle mileage tax is an unsound measure, we think it is one of the most vicious things that has been aimed against our industry.

No sound reason has yet been advanced for raising above the gasoline tax levy, and we believe sincerely that diesel fuel should be taxed, but only at the same rate of tax as gasoline. Mr. Thompson will present to you some very interesting facts and figures in connection with the diesel tax. We do believe and want to state very emphatically that the gasoline tax is the fairest method of assessing users of our highways.

In talking about the State's economy, we would like to point out that farmers and shippers of California are greatly dependent on the adequate truck service at reasonable cost, and we must compete with industries in other states in the marketing of our products. The taxes proposed in Senate Bill No. 5 and similar measures would force a heavy increase in tax rates that would be disastrous to many people.

A prominent farm organization recently stated the program, now referring to the highway program, as set up in Senate Bill No. 5, will cost California farmers over $15,000,000 per year in increased transportation costs alone, with little or no appreciable benefit in return.

We believe that today construction costs are now at their peak, and will certainly soon decline. We suggest that the State might embark on a sensible short-term program and then reexamine the needs and conditions, say, three years from now, and see what was necessary then.

Donald Kennedy, expert for the Collier committee, has clearly shown in his report that we may expect a very large decline in construction costs during the next few years.

A statement was made the other day that the $3,000,000,000 highway program would greatly reduce insurance costs. We have talked to a number of insurance men and not one of them actually believe that if the program were undertaken, it would presently cut down insurance costs. I might exemplify it by saying that our own industry is making a very strong effort to reduce highway accidents.

For nearly 20 years the curve of truck and bus accidents has gone down, while the general curve of traffic accidents has gone up. That is all the more remarkable because our drivers are all driving in all kinds of weather where the pressure of driving is always hard. The answer is that our for-hire driver is a safe driver, but the truck drivers cannot be said to rest content in the knowledge that they are the safest drivers on the road.

We have even established in our own industry our own highway patrol. It is true it is small yet, but it is growing, in an effort to get more safety on the highways. These regularly employed members of this patrol financed by our industry ride the highways constantly in an all-out effort to reduce accidents. Our experience shows that the great bulk of the accidents are the result of human delinquency. That can best be shown by better policing and better administration of justice.

New highways alone will not solve the accident problem. Only a few weeks ago a superhighway beyond Davis was officially opened. We have been informed that already six deaths have occurred on this fine modern road.

On the other hand, by strictly enforcing the law, and education in the City of Sacramento, reduced deaths during the last seven months from 19, in a similar period, to four, and of the four, three were pedestrians over 70. This was accomplished by publicity, education and enforcement. We may also remember what happened in large cities in the State during the New Year's period, when deaths were cut to a minimum because of the three principles of enforcement, publicity through the newspapers, and education. We can get real safety now by these methods, and adequate policing of our highways, and the cost will be relatively small, compared with the building proposed in Senate Bill No. 5.

We are not altogether sure it is time to undertake a $3,000,000,000 program. I'd like to read just several sentences from the report of the University of Chicago Roundtable, which many of you often hear, and was on the air February 9, 1946. I am just going to read two paragraphs from it.

"Mr. *Patronio*: I would like to see Congress cut the federal budget, cut federal expenditures, and I would also like to see our state and city budgets do the same thing. I look with alarm on the expansion of public works at the present time when pressure is upward on prices," and Professor *Jacoby* replying, said:

"I have been much interested to note that the State of California is projecting a $2,800,000,000 highway program at this time. It seems to me that as much as these highways are needed, now is a very bad time to

try to build them. The result will be to do nothing but compete for construction, labor and materials, and thereby raise the cost of housing and other kinds of construction. In addition, we may need the jobs which highway building will provide three or four years from now, and we do not need them at the present moment."

California for-hire trucking industry will take its fair, honest share of a fair, reasonable highway program, but the present proposals of Senate Bill No. 5 and similar measures would destroy essential truck service, and greatly raise transportation costs to the people in outlying communities who depend on trucking for the products they need. We believe that a reasonable highway program, geared to the changing conditions of today, is needed. We believe the State should not go too fast. Three billion dollars is a lot of money. In fact, it amounts to $300 per person in California, or about $1,500 for every family of five, and in the Collier bill, that imposition might prove to be a heavy burden.

Again we would like to repeat that we will take our fair share of the probable cost of a program of highways, if properly allocated consistent with the ability of our industry to pay. Thank you.

CHAIRMAN HOLLIBAUGH: Mr. Geddes, you are first up to question Mr. Sherer.

ASSEMBLYMAN GEDDES: Now, Mr. Sherer, you are speaking for all of the trucking industry, that is, right now, for-hire trucks and private trucks as well?

MR. SHERER: No, I am speaking, Mr. Geddes, only for the hired trucking industry. We have numerous associations, and Mr. Thompson and I feel that we are in a position to speak for the majority of the for-hire operators only.

ASSEMBLYMAN GEDDES: I have something then that is probably interesting to you. It appears on page 9 of the Assembly Daily Journal for March 6th, which is the report as introduced and printed in the Journal of Mr. Petree, when he was before this committee. I am going to quote two paragraphs of it:

"We knew that Clark Sargeant, President of the Trucking Industry, Incorporated, had been quoted as saying that a 50 percent increase in truck taxes would be the absolute maximum that trucks could pay. We know that the truck tax is now about $12,000,000 a year including the 3 percent gross receipts tax which would be repealed if a new tax were added. A 50 percent increase in this tax during the next 11 years would result in total income of about $211,000,000, assuming an increase in registration based on Beebe subcommittee estimates. This would be more than 60 percent of all collected in 11 years from trucks, $298,000,000 under the Lindman schedule.

"We estimated that, since the new taxes would be imposed additionally on private carriers who constitute about 70 percent of the carriers, and, incidentally, all of their organizations believe they should be taxed, a total tax suggested in Schedule 1 of the Lindman Report would certainly not result in more than an over-all 50 percent increase."

Now, that, according to a third party, Mr. Petree, is the statement of Clark Sargeant. Do you know of such a statement having been made?

MR. SHERER: I am hearing to my surprise, the statement made by Mr. Petree. I endeavored to run down the source of his information and found that his information is from a sort of, not exactly hearsay, but at

least three times removed from the actual source. I contacted Mr. Sargeant by telephone, and he absolutely denied making such a statement, and further, he has sent to the chairman of this committee a telegram absolutely and emphatically denying it, because it is a fact that your industry, and I have personal knowledge of this, can stand no 50 percent over-all increase in the total of all of the truck taxes at the present time.

ASSEMBLYMAN GEDDES: You say that they cannot?

MR. SHERER: They positively cannot.

ASSEMBLYMAN GEDDES: If they did stand, not over 50 percent, but a 50 percent increase was imposed, that would be passed on in almost every instance to the ultimate consumer, the persons to whom you deliver goods, and they maybe would have to pass that on, and you would add it on to the F.O.B. delivered price—the producers would, would they not?

MR. SHERER: That is true. It would be rather sometimes a slow process in reaching him because of the difficulty in getting rates, which is a difficult decision through the regulatory bodies, but in the end the farmer and the shipper would have to pay, and as I pointed out in my statement, the farmer and I think the farm organizations say so also, that they are very much alarmed at the prospect of any increase.

ASSEMBLYMAN GEDDES: Now, another question, Mr. Sherer. You mentioned in your talk two or three or four or more experts employed by the so-called Collier committee. Isn't it a fact that when these experts —these experts have testified in making their original presentations, and such testimony is not now in line with the expanded and increased sums contemplated—that the recommendations of these experts are largely ignored?

MR. SHERER: I think that is absolutely true. There are many important facts in both the Kennedy Report and others that have been overlooked in writing the final bills, or the bills as they finally come in, or the bill—Senate Bill No. 5, then the Assembly as well as the Senate is forced to choose from very little in its decision, and from a great many figures and estimates and they are all confusing.

ASSEMBLYMAN GEDDES: Yes—

MR. SHERER: I think that is true, Mr. Geddes.

ASSEMBLYMAN GEDDES: And the ability of the Members of the Assembly to foresee into the future is either as good as the ability of others to foresee these things?

MR. SHERER: I think probably the Members of the Assembly have, in many instances, a better chance of arriving at an accurate estimate, because they are on the ground, in touch with the people of California, while some of the experts have long since departed for Washington.

ASSEMBLYMAN GEDDES: Then to come back to good business practice, while we might okay an over-all program of some expansion, that is as far years go, it would be very good and sound business practice to check up from year to year and see whether these estimates made as to cost of material and cost of construction, and where the Division of Highways are putting this money in, and where additional sections of highway are needed. It would be just sound business policy and sound legislative policy?

MR. SHERER: I can say this, if I were a merchant today, I wouldn't want to stock up for anything 10 years in advance. While I might be

doing a certain amount of planning in my method of merchandising, I wouldn't want to commit all my capital and get into a 10-year program of buying. We are facing a rapidly declining market, and it is my belief, Mr. Donald Kennedy was the authority for the statement that costs would decline as much as 46 percent and I think there are very many indications already on the—or in the market that show that. We know—I haven't touched on the shortages of steel and some witnesses have commented on that, but I might just mention this interesting fact. We heard it said that steel would be short, we have heard others say that there is plenty of steel, and yet the officials of the Motor Vehicle Department have said that they think we would not have full-sized plates for next year's registration, because they could not get the steel, and we would be using these small tabs again next year.

ASSEMBLYMAN GEDDES: That is all I have right now, thank you.

CHAIRMAN HOLLIBAUGH: Mr. Clayton Dills?

ASSEMBLYMAN CLAYTON DILLS: Mr. Sherer, I would like to get some direct answers to these questions. Does your organization oppose a diesel tax increase?

MR. SHERER: We oppose any diesel increase that is more than any increase that the Legislature will deem it necessary to put on gasoline.

ASSEMBLYMAN CLAYTON DILLS: And you oppose the gasoline tax—three to five cent gasoline tax?

MR. SHERER: Most certainly do.

ASSEMBLYMAN CLAYTON DILLS: And the mileage tax from the schedule that is in Senate Bill No. 5 now?

MR. SHERER Definitely opposed to it. We think it is vicious.

ASSEMBLYMAN CLAYTON DILLS: And you said before that you couldn't stand any increase—was that true that the trucking industry couldn't stand any increase?

MR. SHERER: No, not exactly. That I might explain. What we tried to do was that we thought that after the Legislature, perhaps the Senate isn't going to do it, but we wanted to find out what the cost will be to build a certain program of highways, and the cost definitely ascertained, then we would know as to our ability to take a proportion of that, that would be fair and would know about the burden that we would have to assume, but to say that we would take a quarter or a third, or any percentage of a program that has not yet been developed or established, but is something floating around, to say what we could bear wouldn't be possible, Mr. Dills.

ASSEMBLYMAN CLAYTON DILLS: Do you feel that the trucking industry is paying a just share at the present time?

MR. SHERER: I most certainly believe they do.

ASSEMBLYMAN CLAYTON DILLS: Here is a question I think the other gentlemen are interested in also; do you feel that it is right to say that these large trucks, oh, say 20-ton or so, are destructive to our highways?

MR. SHERER: Mr. Dills, I wish at this time to put into the hands of every Member of this Legislature, or the committee can get them any time, I think—you can even get them from Washington—I think this time I agree with the experts of the Collier committee, and Mr. Bertram H. Lindman, formerly of the National Highway Users Association in Washington, is an expert, and wrote one of the important reports of the Collier committee in its investigation.

In 1941 he produced this booklet and he says, and I will quote from him. It would be very helpful if the committee can be supplied with copies of this Mr. Lindman's booklet, he is also an economist with the Washington State Highway Department, and is with the United States Public Roads Administration, and Mr. Lindman was, of course, also one of the Collier committee staff. He says that "the cost of moderately used highways cannot be reduced substantially if all trucks and busses were removed," and then one other point we might make here too, "to get federal aid today, the roads must be built on certain standards that must be approved by the Army and Public Roads Bureau," and that is good enough for the trucking industry in California.

ASSEMBLYMAN CLAYTON DILLS: Do you—could you give me an estimate of how many trucks there are in the State of California, say, above 10-ton?

MR SHERER: Well, Mr Dills, I didn't bring those figures with me, and Mr. Thompson, I am sure has them right at his fingertips. When he speaks * * *

ASSEMBLYMAN CLAYTON DILLS: I guess you couldn't give me the daily traffic of highways?

MR. SHERER: I don't think he has any figures along on that line.

ASSEMBLYMAN CLAYTON DILLS: You made a statement that some of the—I suppose the trucking groups, were losing money?

MR. SHERER: Oh, yes, the best evidence I have of that might be a report of last month in Case, I think it was Case 4808 of the Railroad Commission, in which the percentage of loss of the principal carriers was set out after complete investigation by the Railroad Commission. I might say that not only are some of our lines losing money, but like all industries, we are faced today with some very high increased labor costs. Proposals are before some of our carriers now for an increase of 32 cents an hour in wages for certain drivers. Other demands are probably in the offing. It is not so long ago that I can remember some truck drivers in California were paid probably 45 to 50 cents an hour, and now we are probably going to be asked to pay as high as 32 cents an hour more at one crack It is not in a healthy condition at the present time, and the Railroad Commission has that information.

ASSEMBLYMAN CLAYTON DILLS: What would you contribute that to—wages paid the drivers?

MR. SHERER: No, it is a result of many, many things, general costs and operation, labor, materials, all the things like that, taxes—everything that goes into general operation of a transportation company, and the railroads are probably finding that that is happening and a few—pardon me just one moment, I think I have a quotation here.

(Examines documents.)

I am very sorry I didn't bring it over, but it was a very responsible national capital paper, showing that there were serious conditions in the whole transportation field, airlines have had trouble, I think railroads are having increased trouble, but I think we are particularly hard hit in the truck transportation field.

ASSEMBLYMAN CLAYTON DILLS: Could you give me an estimate of the monthly salary of a truck driver?

MR. SHERER: Well, I think the salary largely depends on the overtime, but they are paid roughly from, about—well, I think $1.10 up to

about $1.30 an hour. It varies according to size of vehicle, some are paid on a basis of mileage, and of necessity, a good many of them are getting pretty substantial overtime, because of the difficulty in making division points, and so on.

ASSEMBLYMAN CLAYTON DILLS: And of course you have office help, but do you have any idea of their rate of pay?

MR. SHERER: Yes, I think they are paid just a little above the average office help, say like the City of Los Angeles, our office is just a little out of the center of more desirable places to work, and girls usually demand a little more for going out there.

ASSEMBLYMAN CLAYTON DILLS: Well, do you think it is possible that attributing maybe to the losses of some of these trucking groups, some high-salaried men, say, the officers of a trucking group?

MR. SHERER: Oh, no, Mr. Dills, the Public Utilities, or formerly the Railroad Commission keep a very tight rein on that. We are required to report all those salaries, and they are uniform. Those salaries must be all set forth, and that is carefully checked and it is not allowed to go in the rate basis, a legitimate rate basis. I think salaries are rather pitiful among the executives of our trucking industry.

ASSEMBLYMAN CLAYTON DILLS: Well, you probably couldn't answer this question either. I have a question here: What is the average earnings of a used truck—not a new one—a five-ton flat?

MR. SHERER: I haven't—

ASSEMBLYMAN CLAYTON DILLS: Over a yearly basis

MR. SHERER: —those figures with me, but there is one point that often comes up that I would like perhaps to explain to this committee. Sometimes you get into your mind that the trucking industry is composed of certain fairly good-sized companies that operate fleets of trucks. Of course we have some of those, but the backbone of our trucking industry is the little man with one or two trucks. In fact, the general over-all average, considering the owners and the total number of trucks they operate, I think it may be just about two and an eighth trucks per owner.

ASSEMBLYMAN CLAYTON DILLS: I was looking in this chart here on page 16 in the Senate Bill No. 5, and I noticed that a truck, say a five-ton class, would be taxed $27 a year. That is on the weight tax, and oh, I took 40 trucks and did a little figuring, and finally came out with an answer of less than 8 cents a day increase for a truck of that size.

MR. SHERER: Well, you are referring now to the little light truck. You must also remember that they are put on the flat weight basis on the bill, and then if you will notice trucks that are doing the regular hauling in the State today are put on this vehicle mileage basis, which is something entirely different. I think the far-minded Senate was endeavoring to give a break more than anything else to the very light truck of the farmer, Mr Dills, and our commercial carriers were all, or with the exception of a few, are very light pick-ups in the other bracket under the mileage tax.

ASSEMBLYMAN CLAYTON DILLS: One more question: Is your rate charge on a mileage basis or is it on a load basis, say a truck and trailer?

MR. SHERER: Principally on a basis through the State, a basis of 100 pounds—a rate set up at so much per 100 pounds.

ASSEMBLYMAN CLAYTON DILLS: Weight basis?

MR. SHERER: There are some exceptions to that.

CHAIRMAN HOLLIBAUGH: Ralph C. Dills.

ASSEMBLYMAN RALPH C. DILLS: Mr. Sherer, you represent, as I recall you stating, for-hire trucking industry?

MR. SHERER: Generally that is our representation.

ASSEMBLYMAN RALPH C. DILLS: Well, does that number among your membership such groups as the Pacific Motor Transit and Pacific Freight Lines and that group?

MR SHERER: The Pacific Motor Transport, P.M.T., is a subsidiary of the Southern Pacific, a wholly owned subsidiary of the Southern Pacific Company. In some minor matters they have worked together with us. Pacific Transit Lines is a truck line, or motor transit line that is owned by a corporation and it has no connection with any railroads. If I could probably explain, in general we represent people not only of that type, but for one of that size, there are probably 40 that are represented with just one, two, three, or four trucks.

ASSEMBLYMAN RALPH C. DILLS: Well then, you are not speaking for those trucks which are owned by the railroads, I take it?

MR. SHERER: No, Mr. Dills.

ASSEMBLYMAN RALPH C. DILLS: Do you know of anyone that is speaking for them here in the Legislature, or are they concerned with this problem?

MR. SHERER: No, I have seen quite a number of representatives of the railroads in the lobby, but I don't know who would speak for them.

ASSEMBLYMAN RALPH C. DILLS: Maybe I don't quite understand all this, but at any rate, you are on the rocks and you are losing money as you stated, could be demonstrated by a recent case, in answer to a question of Assemblyman Clayton Dills, what happens? Do you get—do you go out of business, or do you ask for a rate increase, and if failing to get a rate increase, do you go out of business?

MR. SHERER: A great many of our carriers go out of business. An enormous amount of those who were issued permits by the Railroad Commission, of those that got permission, I think in 1935, I think the Railroad Commission, which is now the Public Utilities Commission, says that less than 10 percent of those people are still in business. It is very surprising the mortality during the first three months of a permit—a great many go out of business. In the first year the percentage is still alarming, and I think if you just sort of reason it out, you will see this, that only 10 percent last, 12 percent go in the business again—I am quoting from memory, Railroad Commission figures.

ASSEMBLYMAN RALPH C. DILLS: Well, now, you stated that the tax provisions of Senate Bill No. 5 would not be acceptable to the organization which you represent. What would be the effect of this bill upon your organization, or the membership of it?

MR. SHERER: If the bill were to go into effect, we might say, immediately, we would be operating at an increased loss we estimate anywhere from 12 to 15 percent until we could make application to the Railroad Commission for an adjustment in rates. Those cases take quite a long time. We might ask for the 15 percent and we might get 5, 8, or 10 percent, whatever the Railroad Commission would see fit to grant. However, our costs at the present time in many cases are far above our competitors, and if we had—we had a small recent increase—and add a further

increase, the price of selling our services would be so far above competitors where there was competition that we wouldn't get any business, and that would be another way of having us pass out of business.

ASSEMBLYMAN RALPH C. DILLS: Who are your competitors that you refer to?

MR. SHERER: Railroads

ASSEMBLYMAN RALPH C DILLS: What percentage of freight of the State is carried by trucks?

MR. SHERER: Approximately 68 percent of the intrastate revenue freight is carried by the for-hire trucks in this State. I think the rails carry about 27 percent, and I might emphasize I am not now endeavoring to refer to interstate freight, or the additional freight as carried by private trucks, farmers, or the trucks of proprietors, or trucks of manufacturers and distributors I might point out that there is approximately 2,400 communities in California that are totally dependent on us, from crossroad settlements to small cities that are not served by railroads and served exclusively by bus and truck, and of course, their rates would have to be raised, eventually would have to be raised as far as we could get them up through the commission to help with the new tax burden.

ASSEMBLYMAN RALPH C. DILLS: But should the trucks stay in business, however, the shipper or the farmer, or whoever he was that caused the freight to be transported, would have to bear an additional burden of additional expenses placed upon the haul as the result of this bill?

MR. SHERER: That is true, Mr Dills, and I think you would probably realize too that many of our industries shipping in California are growers who have to go into the competitive markets and have to put new increases on their products to cover the increased cost of transporting to those markets, or manufacturers, and it would take him out of the competition. I was interested to notice that there was a resolution in this house trying to get some maladjustments out of the rates on steel. If we put our transportation up so high that the farmer would nearly have to go out of business. For instance, if we increased the cost of transportation 1 percent from the field to the cannery, the distributor, and then on to the consumer, we would be more and more forcing California canners out of competition with those of the Middle West and the East, where they have to compete in labor costs, growing and manufacturing costs and other things that go into the shipping of agricultural products.

ASSEMBLYMAN RALPH C. DILLS: You stated that there are some 2,400 communities in this State that are served or dependent on trucks for transportation facilities? Do you have that in terms of counties or areas?

MR. SHERER: No, unfortunately, I haven't. That was a survey made by the Highway Users, I believe, some years ago.

ASSEMBLYMAN RALPH C. DILLS: Now, among these tax items which are contained in Senate Bill No 5, and I continue to direct my attention to it because it is over a year in committee now, and I assume a hearing will be had on it in the near future. As I understand that measure, you state that you are opposed to all of the increases, the gas tax, the diesel fuel tax, the ton-mile tax, and the weight tax and all phases of the taxation contained in that bill.

MR. SHERER: As presently set up we are certainly opposed to the increase of two full cents in the gasoline tax, we are against the increase

in diesel fuel tax, because of the volume of the increase, and the principle of rating diesel fuel taxes above gasoline. We are very definitely opposed to the vehicle mileage tax, and I think we agree with Mr. Davis and Mr. Anderson, who have spoken here, that they are very unproper, unsound taxes.

ASSEMBLYMAN RALPH C. DILLS: Then you go further than Mr. Anderson in your opposition of these taxes which are a feature of this bill?

MR. SHERER: Oh, yes.

ASSEMBLYMAN RALPH C. DILLS: Now, you have stated, and Mr. Anderson has stated, and I assume everyone will state that they are willing to do their fair share of the job; have you any idea of what that fair share should be?

MR. SHERER: Not too definitely, Mr. Dills, for this reason; we are asked to take our share—probably I might say we have been by some individuals—when we don't know yet what the total amount of the bill is. We don't know how much, shall we say, water, or whatever it is, may be squeezed out of us for this program, and if we offer to take a share of a $3,000,000,000 tax, and then you might in your wisdom cut it to $1,000,000,000—we would be in a rather odd position of having offered to take, first of all, more of the tax than was necessary, and probably more than we could afford

ASSEMBLYMAN RALPH C. DILLS. Well, I think—

MR. SHERER: I might just add, Mr. Dills, we want to see good roads, and I think probably over a period of years you know that our attitude has been for good roads, but we want to see a proper program, we want to be assessed only a reasonable share We know that a tax can be too punitive so as to destroy the person paying the tax, and that is what we are afraid of in this whole program. We tried to see the farm organizations and truck organizations and come in with something, but the general feeling was that what should be found out first is what the Legislature determines to be the total bill before we attempt to set the amount that would be our share.

ASSEMBLYMAN RALPH C. DILLS: Then your delay is based upon facts, that you feel that before you know what we commit ourselves to in the way of a highway program, that you are then unable to commit yourself and your organization to what you say is the fair share of the bill?

MR. SHERER: I think that is our position very clearly, Mr. Dills.

ASSEMBLYMAN RALPH C. DILLS: Thank you.

CHAIRMAN HOLLIBAUGH: Mr. Heisinger?

ASSEMBLYMAN HEISINGER: Do you—are you willing to admit that before the war began, that the highways of the State were very far behind in financing?

MR. SHERER: No, I don't think I could admit that.

ASSEMBLYMAN HEISINGER: Well, you know that practically every person who made any statement on that said that the state highways and those of the cities or counties were so?

MR. SHERER: Well, I don't know any—I don't think we were in such bad shape when we compared ours with other states. I do travel quite a bit, and get an opportunity to observe the highways in other states, and I thought we were in pretty good average position. One thing I noted

very clearly was that some of the most backward states in highways constructed, had the highest gas taxes. I don't think the two are always related.

ASSEMBLYMAN HEISINGER: How come? I know about this a little. I have gone over hundreds of bridges that only carry a certain small load. Now, your trucking industry was against that proposition, were you not?

MR. SHERER: No, Mr. Heisinger, there is some portion under our diesel fuel tax now that goes for bridges, and I believe there is an enormous amount of bridge construction that has been held up, that is, there is money in that fund, but the construction cannot go on because of lack of materials, steel and so forth.

ASSEMBLYMAN HEISINGER: You are not answering my question. I am talking about the bridges in the State of California, and some of them in the highways—secondary highways—were posted and your trucks had to go around those weak bridges.

MR. SHERER: Well, that has been true through the whole history of the State, and of other states too. Certain bridges go out, and not all of these are adequate. There are many of these in the State that are not adequate.

ASSEMBLYMAN HEISINGER: Did you know it also, that now on many of the state highways, in fact, on 99, that at times it is almost impossible for one truck to pass another, and even hard for an automobile to pass another on account of the condition and narrowness of these highways?

MR. SHERER: There are some portions of 99 and other highways that are. Frankly we couldn't understand why they weren't made four-lane 10 or 15 years ago, in place of some other projects that were undertaken.

ASSEMBLYMAN HEISINGER: Is that before the war? Was that not on account of the lack of funds to take care of it?

MR. SHERER: Oh, it might have been just a question of pressure that was exerted to have highways built in other places—I don't know that.

ASSEMBLYMAN HEISINGER: Of course, we entered the war with our funds practically depleted, but we have accomplished quite a bit during the war, but on account of the lack of material and labor, and then the Federal Government called upon us not to build highways, we all know that.

Then another thing: Another thing which has happened, that the 3 cent gasoline tax in buying power actually only amounts to 2 cents, isn't that about it?

MR. SHERER: Well, I wouldn't care to state that accurately, but I was pointing out that a decline in cost is expected by Mr. Kennedy of 46 percent over the period of the program.

ASSEMBLYMAN HEISINGER: Have you made a statement that only about 10 percent of the trucks were—which started to operate in 1935 were not in operation yet?

MR. SHERER: Ten percent of the permitted carriers. I think it is nine point something.

ASSEMBLYMAN HEISINGER: Have not many of these carriers and other people carried on the business?

MR. SHERER: Yes, some of them sold to what we might term "successors" who tried to carry on in spite of that. I'd like to make one thing clear. We have also had a few truck operators bearing special hauls that made some considerable money, but one of our problems today that is a

sad one is that veterans coming back, and I suppose we might have made 1,000,000 truck drivers or more during the war, that are rushing into the business and some of them are passing out of it so rapidly. In Los Angeles we have started an organization in our office to help these boys out of the clutches of the people who have sold them trucks to get into the business. It is easy to get into, but something to get out of awful speedy, but the condition of our industry is not healthy.

ASSEMBLYMAN HEISINGER: The reason, when you first made a statement, I made a quick calculation that there is only 10 percent of the trucks in operation all the time?

MR. SHERER: No, I didn't make that statement.

ASSEMBLYMAN HEISINGER: I know you didn't make a statement, but any deduction would almost come to that conclusion—now, really, aren't there about as many * * *

MR. SHERER: I think there are a few more operators today and they come in very rapidly, and they pass out very rapidly. They try it once and find it doesn't work. It is almost like gambling—they can come in there very rapidly, and they can come in increasing numbers, and they come out very rapidly after they are burnt.

ASSEMBLYMAN HEISINGER: I have just received the real estate magazine here, and they tell us something about the transfer of property, transferring homes and so forth—by the way, Mr. Sherer, I don't want to do a thing that is going to put you out of business because my boys and I are in a business where we have to get a lot of hauling done sometimes, too.

CHAIRMAN HOLLIBAUGH: Here is Mr. Thomas.

ASSEMBLYMAN THOMAS. How much of the commodities in California are carried by truck?

MR. SHERER: Sixty-eight percent of the intrastate revenue business.

ASSEMBLYMAN THOMAS: Sixty-eight percent of the entire * * *

MR. SHERER: That is—better look at it a little more closely—I am not talking now about interstate freight, but of the freight that is carried on here of the freight moved in California. I think it is about 68 percent.

ASSEMBLYMAN THOMAS: Sixty-eight percent in the State of California. Now, how much business is interstate business?

MR. SHERER: I haven't the figure on interstate business. Some of it is carried on to Chicago and St. Louis, and I haven't any volume figures. I am only speaking of revenue freight, I am not speaking of farmers and people who have their own trucks.

ASSEMBLYMAN THOMAS: When were the new rates applied for before the Railroad Commission?

MR. SHERER: About two months ago—I think—I think probably we may find some increases even going in at this very moment because an operator has the right to apply individually or they can apply collectively. We don't just apply for the whole industry in California, so I am not sure. It is introduced under the proceeds for a single operator in a particular case. We have so many things, the tank trucks, we have general freight, different sections of the Country, and rate proceedings are constantly before the commission.

ASSEMBLYMAN THOMAS: Would you say that we are in need of improved highways in California?

MR. SHERER: Oh, yes, I think some reasonable improvement is necessary.

ASSEMBLYMAN THOMAS: You think the trucks have been a hazard on the present highways—has it to the public?

MR. SHERER: Well, I answered that a while ago in quoting * * *

ASSEMBLYMAN THOMAS: On the two-lane roads?

CHAIRMAN HOLLIBAUGH: He can read the record, we have wasted a lot of time.

ASSEMBLYMAN THOMAS: Well, we have two committees and they seem to conflict with each other.

CHAIRMAN HOLLIBAUGH: Well, I am sorry about that.

ASSEMBLYMAN THOMAS: I am particularly interested in this committee, more so—did you answer the question whether or not there are sufficient funds to take care of the critical deficiencies in the highway program?

MR. SHERER: I don't know whether the Legislature had really determined on a line basis what the critical needs were. I have never been satisfied—I felt that the Legislature first should actually determine the present deficiencies, but we have received three or four different estimates, and I have been at a loss as to which one to take.

ASSEMBLYMAN THOMAS: Just—in other words, your organization is contending that this Legislature should not increase any taxes?

MR. SHERER: No, I haven't definitely made that statement.

ASSEMBLYMAN THOMAS: I mean, on diesel fuel?

MR. SHERER: I made the statement that I thought the diesel should be increased only to the same amount as gasoline fuel, whether gasoline fuel should be increased or not, that will be for the Legislature to determine.

ASSEMBLYMAN THOMAS: Assuming that these bills pass, don't you think it is equitable to tax as outlined in the Senate Bill No. 5, that is, ladling the tax out in proportion to the use made of the highways?

MR. SHERER: I made the statement several times here during my presentation that I thought the taxes as outlined in Senate Bill No. 5 were excessive in volume and that the vehicle mileage tax was discriminatory, unsound, costly to collect, and had many other undesirable features.

ASSEMBLYMAN THOMAS: Would the truck industry go for any increase in the fuel tax?

MR. SHERER: We would go for the same increase, if it was found to be so needed, on the same basis as the tax is imposed on the gasoline.

ASSEMBLYMAN THOMAS: Would you say 55 or 50 percent of the amount now in Senate Bill No. 5?

MR. SHERER: I'd rather not answer that now. I have brought out that if we got a tax levy and heavy increase in the fuel tax, and other heavy increases in other taxes, this total would be staggering, and we couldn't stand it. We have got to relate them, one and all, to the other.

ASSEMBLYMAN THOMAS: Is it your contention that the trucking industry is paying their fair share for the use of the highway at the present time?

MR. SHERER: At the present time I certainly think so, and I can read from the report of the great Joseph Eastman in his report. He proved that we were * * *

CHAIRMAN HOLLIBAUGH: Mr. Thomas, you are finished? All right, Mr. Collins?

ASSEMBLYMAN COLLINS: Mr. Sherer, I understood earlier in your statements that you were opposed to an over-all plan of highway construction in California, is that right?

MR. SHERER: No, I did not make that statement.

ASSEMBLYMAN COLLINS: Well, are you for an over-all plan—you think there should be a plan now for * * *

MR. SHERER: I see no objection, like a city might want to have a little planning commission to take care of the activities and in order to keep up with certain work, or certain abuses, or certain encroachments. It should be on a short-term basis. We have thrown around a $3,000,000,000 program here for so long that the Legislature is about convinced that is the only way to do it.

ASSEMBLYMAN COLLINS: Would you agree then with the plans that have not been proposed by this committee?

MR. SHERER: You mean what is proposed by this committee?

ASSEMBLYMAN COLLINS: I mean this Collier committee.

MR. SHERER: Oh, yes, I object to many features of the Collier committee.

ASSEMBLYMAN COLLINS: In other words, your plan and an over-all plan would not be similar to that plan?

MR. SHERER: No sir.

ASSEMBLYMAN COLLINS: Can you state wherein this is considerable precedent, wherein your plan would be different from theirs?

MR. SHERER: Mr. Collins, I don't feel, first of all, that all of the staff reports are wrong. Now, the engineering report certainly differed a good deal from the way it was first submitted, and the way it was finally embodied in the bill. I would say that in the critical deficiencies program, we recommend that they be made a little clearer first, and then take up the engineering attendant to that program, and then the Kennedy Report and those by the other experts that were brought in. We have had testimony this way and that way, and I am not sure that I can tell you today exactly what should be taken. That is the task for the Assembly to determine that plan and program from that a hard-rock plan that you would finally lay out, that we might base our plans and suggestions as to the taxation.

ASSEMBLYMAN COLLINS: But you would rather submit that this committee hasn't had sufficient opportunity to submit a plan?

MR. SHERER: That's right, not from available information.

ASSEMBLYMAN COLLINS: Then it is your statement that the present plan is not a plan because it is not understandable?

MR. SHERER: That is about it.

ASSEMBLYMAN COLLINS: And then the only way of arriving at it you would say, would be to form another plan?

MR. SHERER: No, I wouldn't say that. I think that this committee can relate all that is received and try to do something on that.

ASSEMBLYMAN COLLINS: Do you think the result of that committee to the Collier committee has been of no value due to the fact that they have only presented a plan that is nebulous and not understandable?

MR. SHERER: I would not want to go that far. There were about 40 or 45 members of the advisory committee, and they did bring in some

important facts, and went out on the ground in certain cases to go into it more thoroughly, and we disagree with certain results that were produced from the evidence—some of their deductions.

ASSEMBLYMAN COLLINS: Well, your statement is then that this evidence is valuable, but the inferences from that evidence are not?

MR. SHERER: I wouldn't want to make that inference—I would say some of them are not.

ASSEMBLYMAN COLLINS: Now, you say some would mean a considerable amount, or would you only mean a slight amount?

MR. SHERER: I would say there is a substantial difference, if you would compare the actual reports, say Mr. G. Donald Kennedy's Report, with the report as it now is in Senate Bill No. 5, it is far, far removed from the original Kennedy Report.

ASSEMBLYMAN COLLINS: Is it far removed from the report of the Collier committee?

MR. SHERER: Yes, there is considerable difference from the report of the Collier committee.

ASSEMBLYMAN COLLINS: In the direction of expansion or contraction?

MR. SHERER: Expansion.

ASSEMBLYMAN COLLINS: Would it be possible for you, I don't expect you to get it now, but for you to point out to us in the future, if any further hearings wherein those changes have been made, and wherein they are not understandable and feasible?

MR. SHERER: I think probably that some of the facts and figures and some of the things that we are interested in may be brought out, as I said in preface to my presentation, they are especially many of these taxes.

ASSEMBLYMAN COLLINS: I understood you to say also that going on another tack at the present time, that the transportation industry, including the railroads, are not in the best shape nowadays?

MR. SHERER: No, I particularly say that truck lines are not, and I think in some instances, airlines, and there is a tendency of a drop to a deficit in many railroads.

ASSEMBLYMAN COLLINS: Would you say that is true in the West here?

MR. SHERER: It is beginning to be true in the West.

ASSEMBLYMAN COLLINS: I see. The reason I asked you that, I have a very strong statement here by the Southern Pacific. It states that they have achieved a net financial gain, after deductions, an increase in the net working capital of over $288,000,000 since 1940. Industry and population growth in California has actually strengthened the system traffic position, and it is understood that the net gain in new revenue of the system lines in 1946 topped that of all previous years The company took full advantage of the opportunity to obtain advantageous tax credits last year of $45,400,000 and the expense accounts were charged with largely nonrecurring items, thus the bulk of share net of $6.70 was derived from tax credits with higher rates. Now, in effect, profit percentages were expected to show considerable improvement this year, with net working capital exceeding $102,000,000, as of December 31st last, and recent declarations of $1 indicate the maintenance of the $4 dividend rate down at the bottom here, the approximate yield is 9.1 percent. Does that sound pretty good?

MR. SHERER: Mr. Collins, I don't pose as an expert on the railroad finances but I know the general condition of railroads has rather dropped in the last six months or eight months, or a year, and I would base my observations on the fact that I have read the evidence, most recent evidence in some of the rate proceedings and I must say, it is certainly a different statement than that you have received. I have read some evidence that has been put in, and I have no doubt that you have your figures from some source that you think is accurate, but I know generally that the condition of the railroads has not improved and as like some of the rest of us, going the other way.

ASSEMBLYMAN COLLINS: Well, my statement comes from a stock company—Spencer and Bean—you have heard of them?

MR. SHERER: I don't buy anything there, but have heard of them.

ASSEMBLYMAN COLLINS: Doesn't the optimistic—what does the optimistic point of view depend on?

MR. SHERER: What you are selling.

ASSEMBLYMAN COLLINS: Whether you are selling, or whether you are trying to get something?

MR. SHERER: I think that is true, Mr. Collins.

ASSEMBLYMAN COLLINS: Now, in reference to the gas tax, may I call your attention—I think I—in fact I know that you are undoubtedly aware that the gas tax is quite different from a good many taxes in that other taxes depend on values, where the gas tax depends on quantity—for instance, the sales tax. Now, where the price of goods goes up, and they have gone up, and then you measure an increase in the amount of sales tax, and your increase on the sales tax must be about 100 percent now, where in the case of gasoline, you still have the 3 percent, is it not—or is it 3 cents?

MR. SHERER: I think that is right.

ASSEMBLYMAN COLLINS: And you mentioned that some of the states that collect gas taxes have the worst roads and a good many states don't limit the use of the tax to the highways, isn't that right?

MR. SHERER: I believe there are some that do not have refunds.

ASSEMBLYMAN COLLINS: What is that you said?

MR. SHERER: Do you mean in regard to refunds?

ASSEMBLYMAN COLLINS: No, I mean in the use of the tax.

MR. SHERER: Oh, yes, yes.

ASSEMBLYMAN COLLINS: Most of it goes into the General Fund?

MR. SHERER: There are still a few averted, but not many are against aversion. There are still a few states that do that, and some even use gas taxes funds for purposes that certainly do not seem germane to the tax of that nature.

ASSEMBLYMAN COLLINS: According to the latest distribution of the tax systems of the world, it is shown there that most of these gas taxes are not limited in their use to highways. Are you aware of that?

MR. SHERER: I don't know, however, that would pertain, for instance, there is so little gas used in European countries than here.

ASSEMBLYMAN COLLINS: I am only talking about the United States.

MR. SHERER: Yes, we appreciate that, Mr. Collins.

ASSEMBLYMAN COLLINS: That is all, thank you.

CHAIRMAN HOLLIBAUGH: That is all, Dave, thanks a lot for coming here, and members of the committee, we had another gentleman scheduled, and it is ten after five, and I think we better leave him until tomorrow, but I want to admonish you that we are going to lower the boom. We have two or three other people scheduled for tomorrow, so—I beg pardon—

ASSEMBLYMAN GEDDES: Mr. Chairman, I'd like to call the attention of this committee and such others who are Members of the Legislature that may be present, to this fact.

In case we feel that we are being pressed, after all the time that has been devoted to the subject in the other house at the other end of the hall, and we are going into the Regular Session next Monday, please be reminded that Mr. Lowrey and myself have introduced in the Regular Session, companion bills to every one which has been introduced in the Special Session, so that we need not fear for time to consider this very important subject, and all testimony which we have heard pertaining to these particular bills is just as pertinent to the bills in the Regular Session, and of course, all this material would be available to us regardless of what session we are sitting in, so I really think we are making time, because it might properly come before you at the present time.

ASSEMBLYMAN THOMAS: I see the Senate has placed this matter into our hands here. They are relieved from the job of highway development. It becomes the duty of the Assembly to bring it together to a head, and propose a definite plan, and the responsibility is in the Assembly and in this committee, and I don't think that it is wise to encourage any speed, unless we get all of the testimony from all of the witnesses, and it is fair to all of those authors of the bills to give them a chance to give a resume themselves, before we start to vote on them.

CHAIRMAN HOLLIBAUGH: They will be given that opportunity of presenting whatever they have.

ASSEMBLYMAN THOMAS: Mr. Chairman, I have heard all of the testimony of these witnesses, and that is quite a bit of information, and much of it is conflicting and far removed. I am not in a position to definitely decide on which particular bill I am going to vote upon, therefore, I would like to see as much going into the record as possible so that the committee already provided with a copy can have a record, and from that record we can digest the important facts, and even though we may have to go into this same committee, and continue all through next week, I have no objection.

CHAIRMAN HOLLIBAUGH: Of course, that is a matter for the committee, and the Assembly as a whole to decide. Our interest, or the concern of the Speaker and myself, is that we have been here all of this time and have been hearing all of these people who have been good enough to come before us and express themselves and attempting to hear all of these this week, but because of extensive questioning and repetitious testimony, we have not gotten as much done as it was thought, and we have extended longer than we had anticipated, consequently tomorrow we have a full schedule and if the remaining gentlemen for this afternoon could cut their time down, and you feel you want to say a little, and stay a little time, and we will try tomorrow too, and if we do not finish tomorrow, we will keep on as long as the committee desires.

Does any member of the committee have any objection to giving Mr. Ray Williamson 10 minutes or five minutes?

ASSEMBLYMAN THOMAS: I think we should give Mr. Williamson a chance.

CHAIRMAN HOLLIBAUGH: All right, Mr. Williamson, go ahead.

MR. RAY D. WILLIAMSON: (Representing the California Highway Drivers Union). Members of the Committee and Mr. Chairman—

CHAIRMAN HOLLIBAUGH: May I interrupt for just a moment? Mr. Thompson is going to be given an opportunity to present his viewpoints on this particular legislation All right, excuse me, Mr. Williamson.

MR. RAY D. WILLIAMSON: First, may I say that my name is Raymond D. Williamson, for the record. I represent the California Highway Drivers Council, which is made up of all of the members of the union, which in the way of members numbers about 6,000.

There are two points to which I want to direct your attention here in support of our employers, the truck owners. We drive their trucks. We ask you in all fairness not to tax those trucks off the highways. You know and I know that the tax is to kill. We want to continue to make our living driving trucks and we therefore strongly ask you that in the compilation of any tax that you are going to place on a truck, that you investigate that in such a way that it won't put all of our trucks, all of our employers out of business and off the highway.

As to the second point that I would like to direct your attention. It is a little bit more personal. Under Senate Bill No. 5, a $5 operator's license fee is to be charged. All operators and chauffeurs have it under the law. Today the chauffeur is the only one who pays a tax for the right to work. Under a $5 fee, that will be 500 percent increase on the chauffeur's fee. Now, you can talk about all others, it may be a shame, but it is a 500 percent increase, and that is what it actually figures out, if you compute it. If it is contemplated by this session of the Legislature to make that department that handles the operator's licenses and chauffeurs' licenses self-supporting, we suggest that no more than $2 be made the fee of the operator and chauffeur, and that license be for a period of four years.

We were upstairs a few moments ago at the Assembly Transportation Committee with Mr. Allen Davis, I again repeated the figures I gave you before the Assembly the other day, and from the information given to us by the department indicates conclusively that a four-year license, at $2 per operator and the same for a chauffeur, or that if you have a chauffeur's license, you do not need an operator's license in addition, the $2 fee would apply to both, that that would supply sufficient money to take care of all of the needs and make that department self-supporting, and we respectfully ask that in your deliberations and considering of the facts and figures that will lead you to present here an intelligent fees rate of legislation, that you do not go beyond that amount of money that will be required to support the department that handles the licenses for both operators and chauffeurs.

Now, that is the two points that I bring to your attention:

Don't tax our truck owners out of business, and the personal matter, that you don't impose a 500 percent increase in tax on the chauffeur, because he is the only one that pays today for a license to operate a vehicle. The operator does not pay any fee, but the chauffeur does pay

$1 for a four-year license, and we respectfully ask that the license be for a four-year period and that you do not go beyond $2 for a four-year period.

CHAIRMAN HOLLIBAUGH: Thank you, Mr. Williamson.

ASSEMBLYMAN CLAYTON DILLS: I move we adjourn.

ASSEMBLYMAN GEDDES: Seconded.

CHAIRMAN HOLLIBAUGH: There is a motion now on the floor to adjourn. Ready for the motion?

(The motion was carried and the meeting duly adjourned.)

REPORTER'S CERTIFICATE

This is to certify that I, Harold Krabbenhoft, a stenograph reporter, was present at the time and place the foregoing proceedings were had and taken before Assemblyman Hollibaugh, Chairman of the Assembly Committee on Revenue and Taxation, in the Assembly Chamber of the State Capitol, at Sacramento, California, on Thursday, March 12, 1947, and that as such stenograph reporter, did report the aforesaid proceedings on the stenograph machine, and afterwards caused said stenograph notes to be reduced to longhand typewriting, and the foregoing proceedings beginning at the top of page 1, to and including line 20 of page 98 hereof, constitutes a full, true, complete, and accurate transcription of the aforesaid proceedings.

Dated this twenty-eighth day of March, 1947.

GRAESER REPORTERS
HAROLD KRABBENHOFT, Reporter

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Mr. Blosser, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Mr. and Mrs. Harper Sibley of Rochester, N. Y., and Mrs. Eva Gamble of San Jose.

ADJOURNMENT

At 9.55 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11.30 a.m., Monday, March 31, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

THIRTY-NINTH LEGISLATIVE DAY
SEVENTY-EIGHTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Monday, March 31, 1947

The Assembly met at 11.30 a.m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Ralph C. Dills, Dolwig, Doyle, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Wollenberg, and Mr. Speaker—73.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

O Lord, Thou searchest me and knowest me. Thou knowest me when I sit down and when I rise up. Thou discernest my thoughts from afar; when I lie down and when I walk, Thou dost behold me, When a word is not yet upon my tongue, O Lord, Thou knowest all. This knowledge is too wonderful and sublime for me. I cannot grasp it. Therefore, O God, enlighten my mind and strengthen my will that I may ever carry out Thy plans, through Christ Our Lord—AMEN.

PLEDGE OF ALLEGIANCE TO THE FLAG

Upon request of the Speaker, the Assembly gave the pledge of allegiance to the Flag.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. McMillan, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. Cramer, on motion of Mr. Luckel.

The following members were granted leaves of absence for the day, and desired to waive their per diems:

Mr. Clayton A. Dills, on motion of Mr. Evans.

Mr. Stanley, on motion of Mr. Waters.

RESOLUTIONS

The following resolution was offered:

By Mr. Dickey:

House Resolution No. 38

Resolved, That the Controller be and he hereby is authorized to draw his warrants on the Contingent Fund of the Assembly in favor of the persons or firms listed below and for the amounts of money set opposite their respective names, and as itemized below, and the State Treasurer is hereby authorized and directed to pay the same:

Harry Troughton (Making Cabinet Keys)	$3 59
Bureau of Purchases (Supplies)	7 41
Rogers Letter Shop (Mimeographing)	3 59
Sam S. Friesen (Lettering Doors)	15 15
Department of Finance (Desk Lights)	8 31
H. S. Crocker Company (Supplies)	15 48
The Pacific Telephone & Telegraph Co. (Tolls)	86 65
Department of Finance (Typewriter Service)	23 21
The Shasta Water Co. (Water)	3 31
Cascade Towel Supply (Towel Service)	52 00

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 38, at this time, without reference to committee or file.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Ralph C. Dills, Dolwig, Doyle, Erwin, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Wollenberg, and Mr. Speaker—69.

NOES—None.

REPORTS OF STANDING COMMITTEES

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, March 31, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:

Assembly Bill No. 24
Assembly Bill No. 32

And reports the same correctly re-engrossed.

WEBER, Chairman

Above reported bills ordered to third reading.

NOTICE OF MOTION TO RECONSIDER ASSEMBLY BILL NO. 26 CONTINUED

Mr. Wollenberg asked for, and was granted, unanimous consent that his motion to reconsider Assembly Bill No. 26 be continued until the next legislative day.

RECESS

At 11.45 a m., on motion of Mr. Dickey, the Assembly recessed until 2 p.m.

REASSEMBLED

At 2 p.m., the Assembly reconvened.

Hon. Sam. L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

REMARKS UPON THE CONDITION OF THE FILE

Mr. Robertson spoke upon the condition of the file.

Point of Order

Mr. M. Philip Davis arose to the following point of order: That Mr. Robertson is not speaking upon the condition of the file.

Motion to Allow Additional Time

Mr. Ralph C. Dills moved that an additional five minutes be allowed Mr. Robertson for his remarks.

Mr. Lowrey seconded the motion.

Motion carried.

Motion That Remarks Be Printed in the Journal

Mr. Lowrey moved that the remarks by Mr. Robertson be reduced to writing, and be ordered printed in the Journal.

Mr. Debs seconded the motion.

Motion carried.

REMARKS BY MR. ROBERTSON

I do not conceive, Mr. Speaker, that I would be true to my trust as a Member of this Legislature, should I allow to go unacknowledged and unanswered the unfortunate and unfair attack on our Speaker and the members of this body, both by the press and the Administration over the recent week-end.

I do conceive, Mr. Speaker, that it is the bounden duty, both of our Speaker and of the members of this body to receive in their offices and discuss legislative matters with any citizen of this State, be he Catholic or Protestant, Jew or Gentile, or be he yellow, black, or white.

I conceive also, Mr. Speaker, that these same citizens are entitled to a legislative representative, and that the legislative representative is entitled to the same rights and privileges as is his principal.

And, I allege, Mr. Speaker, beyond the peradventure of a possible doubt, that, having heard all citizens that desire to be heard, it is not only the right, but the duty of the members of this body to determine what is for the best interests of the people of this State, and to register that opinion without attack on their motives.

Mr. Speaker, I love a press of freedom, truth, and fairness.

I, and each of us, will defend it with our lives. But I despise with all my soul a press of license and hypocrisy.

It is a menace to American liberty.

More specifically, I refer to those units of the state press, who, cloaking their *unholy* interest of producing and selling cement to the people of California at the highest prices in history, base it in print on a *holy* desire to do good to its people; and, to achieve their ends, by editorials appearing both on the editorial page and in the news section (supposedly

honest news reporting) try to intimidate the members of this body to their will.

More specifically, I am referring to those units of the press and the Administration whose efforts, by means both direct and indirect, are causing Members of this Legislature to receive letters intimating their honest opinions are controlled.

More specifically, I am referring to those representatives of the press who, using their licenses to be on this floor as reporters of fact, endeavor to influence the members of this body. And let us not mistake, the power of the press is great.

But, gentlemen, be not dismayed, the last recourse of those whose promulgation can not stand the light of fact and fair analysis and of those who can not brook opposition is to call names and to yell "Lobbyist, lobbyist, my opponents are the tools of lobbyists."

Mr. Speaker, as one who has stood on this floor for some 15 years and who, I believe, has a fair knowledge of what is going on, may I express to you my complete confidence in you in the conduct of your office and to every Member of this Assembly may I express to you, no matter what your position may have been on the bill presently under discussion, that your vote represents your honest conviction in the matter before us.

Mr. Speaker, I deplore what has happened and I hope it will never happen again.

REMARKS UPON THE CONDITION OF THE FILE

Mr. Boyd spoke upon the condition of the file.

REMARKS UPON THE CONDITION OF THE FILE

Mr. Maloney spoke upon the condition of the file.

REMARKS UPON THE CONDITION OF THE FILE

Mr. Field spoke upon the condition of the file.

SPEAKER COLLINS INSTRUCTS SERGEANT-AT-ARMS

Speaker Collins instructed the Sergeant-at-Arms to clear the doorways for members whenever necessary.

REMARKS UPON THE CONDITION OF THE FILE

Mr. Lowrey spoke upon the condition of the file.

REMARKS UPON THE CONDITION OF THE FILE

Mr. Cooke spoke upon the condition of the file.

REMARKS UPON THE CONDITION OF THE FILE

Mr. Thurman spoke upon the condition of the file.

Point of Order

Mr. Heisinger arose to the following point of order: That there is nothing before the House.

Ruling by Speaker

Speaker Collins ruled the point of order well taken.

REMARKS UPON THE CONDITION OF THE FILE

Mr. Grant spoke upon the condition of the file.

REMARKS UPON THE CONDITION OF THE FILE

Mr. Stewart spoke upon the condition of the file.

Hon. Randal F. Dickey Presiding

At 2.17 p.m., Hon. Randal F. Dickey, Member of the Assembly from the Fourteenth District, presiding.

REQUEST FOR UNANIMOUS CONSENT THAT TENTH TRANSCRIPT RELATIVE TO STATE HIGHWAY SYSTEM BE ORDERED PRINTED IN JOURNAL

Mr. Hollibaugh asked for, and was granted, unanimous consent that the tenth transcript, taken at a hearing before the Committee on Revenue and Taxation, on the California State Highway System, be ordered printed in the Journal in 10-point type.

Above report will be printed prior to the motion to adjourn.

REQUEST FOR UNANIMOUS CONSENT THAT REPORT RELATIVE TO THE SOURCES OF FINANCING FOR COUNTY HIGHWAY PROGRAMS BE PRINTED IN THE JOURNAL

Mr. Ralph C. Dills asked for unanimous consent that a report from the California Taxpayers' Association, relative to the sources of financing for county highway programs, be ordered printed in the Journal.

Point of Order

Mr. Heisinger arose to the following point of order: That the request by Mr. Ralph C. Dills is not in order.

Ruling by Speaker

Speaker Collins ruled the point of order not well taken.

Motion to Refer

Mr. M. Philip Davis moved that the request and report of Mr. Ralph C. Dills be referred to the Committee on Rules.

Mr. Sheridan seconded the motion.

Motion carried.

Above request and report referred to the Committee on Rules.

QUESTION OF PERSONAL PRIVILEGE

Mr. Sam L. Collins arose to a question of personal privilege.

Speaker Presiding

At 2.25 p.m., Hon. Sam L. Collins, Speaker of the Assembly, presiding.

CONSIDERATION OF DAILY FILE
THIRD READING OF ASSEMBLY BILLS

Assembly Bill No. 32—An act to add Sections 147, 148, 149, 150, 151, and 152 to the Streets and Highways Code, relating to state highways, declaring the urgency thereof, to take effect immediately.

Bill read third time.

Motion to Amend

Mr. Thomas moved the adoption of the following amendments:

Amendment No. 1

In line 1 of the title of the printed bill, as amended in the Assembly on March 28, 1947, strike out "151, and 152", and insert "and 151".

Amendment No. 2

On page 2 of said bill, strike out lines 5 to 9, inclusive.

Amendment No. 3

On page 2, line 10, of said bill, strike out "151", and insert "150".

Amendment No. 4

On page 2, line 16, of said bill, strike out "6. Section 152", and insert "5. Section 151".

Amendment No. 5

On page 2, line 17, of said bill, strike out "152", and insert "151".

Amendments read, and adopted.

Bill ordered reprinted, and re-engrossed.

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following bill was introduced, and read the first time:

Assembly Bill No. 44: By Mr. Silliman and Mrs. Niehouse—An act to amend Sections 533 and 737 of the Vehicle Code, relating to school busses.

Referred to Committee on Transportation and Commerce.

CONSIDERATION OF DAILY FILE (RESUMED) THIRD READING OF SENATE BILLS

Senate Bill No. 5—An act to provide for a System of Public Streets and Highways in this State and for the financial support thereof, including the levying of taxes therefor, and relating to vehicles thereon and for that purpose to repeal Article 2 of Chapter 2 of Division 1 and Sections 1028, 1029, 188, 190, 191, 203, 232, 1021, 1022, 1023, 1024, 1621, 1625.5, 1626, 1626.5, 1627, and 1628 of, to amend Sections 181, 189, 193, 194, 195, 300, and 1622 of, and to add Division 3, Article 2 of Chapter 2 of Division 1, and Sections 29, 74, 188, 188.2, and 188.4 to, the Streets and Highways Code, to repeal Sections 276.5, 779, 780, and 782, and 142, to amend Sections 276, 277, 370, 372, 381, and 781 of the Vehicle Code, and to repeal Part 4, comprising Sections 9601 to 10501, inclusive, of Division 2 and Sections 8353, 8353.5, 8354, 8355, 8356, 8357, and 8358 of, to amend Sections 7351, 8352, 8651, 9302, 9303, and 9304 of, and to add Part 4, comprising Sections 9601 to 10501, inclusive, to Division 2 of, and Section 8353 to, the Revenue and Taxation Code, and to amend Section 7 of Chapter 788 of the Statutes of 1937.

Bill read third time.

Consideration of Committee Amendment No. 7 to Senate Bill No. 5

Amendment No. 7

On page 37, line 11, of the printed bill, strike out the numerals "29".

Amendment read.

Motion That Substitute Amendment Be Adopted

Mr. Geddes moved the adoption of the following substitute amendment:

Amendment No. 7

On page 38, line 11, of said bill, strike out "29", and in line 15, strike out "Sections 29 and", and insert "Section."

Amendment read, and adopted.

Unanimous Consent to Consider Further Amendments to Senate Bill No. 5 Granted

By unanimous consent, the Speaker ordered that all further proposed amendments to Senate Bill No. 5 be considered before the bill is sent to reprint.

Consideration of Committee Amendments Nos. 8 and 9 to Senate Bill No. 5

Amendment No. 8

On page 13 of the printed bill, as amended, strike out lines 45 to 48, inclusive; and, in line 49, strike out "and expended in County Group No 2", and insert "in each county group in the proportion that the registration of vehicles in such county group bears to the total number of vehicles registered in this State"

Amendment No. 9

On page 14 of said bill, strike out lines 15 to 33, inclusive, and insert "188.4 Ninety percent of the money available for expenditure in County Groups Nos. 1 and 2 respectively shall be allocated by the commission for expenditure and expended or caused to be expended by the department in each county in each such county group, for the construction of and the acquisition of rights of way for, state highways in each such county in the proportion that the registration of vehicles in each county in the county group bears to the total number of vehicles registered in the county group in which the county is situated"

Amendments read.

Motion That Substitute Amendment Be Adopted

Mr. Anderson moved the adoption of the following substitute amendment:

Amendment No. 8

On page 15 of the printed bill, as amended, strike out lines 1 to 4, inclusive; and in line 5, strike out "and expended in County Group No 2", and insert "in each county group in the proportion that the registration of vehicles in such county group bears to the total number of vehicles registered in this State"

Amendment read.

The roll was called.

Call of the Assembly

Pending the announcement of the vote, Mr. Thomas moved a call of the Assembly.

Motion carried. Time, 3 10 p m.

The Speaker directed the Sergeant-at-Arms to close the doors, and to bring in the following absent members:

Messrs Beck, Berry, Boyd, Cramer, Clayton A Dills, Price, Robertson, Stanley, and Wollenberg—9.

PROCEEDINGS UNDER CALL OF THE ASSEMBLY BY UNANIMOUS CONSENT

TEMPORARY SUSPENSION OF ASSEMBLY RULE NO. 85

Mr. Dickey asked for, and was granted, unanimous consent that Assembly Rule No 85 be temporarily suspended for the purpose of placing a call of the Assembly on any matter on file.

Speaker Pro Tempore Presiding

At 3.30 p.m., Hon. Thomas A. Maloney, Speaker pro Tempore of the Assembly, presiding.

CONSIDERATION OF FURTHER AMENDMENTS TO SENATE BILL NO. 5

Consideration of Committee Amendments Nos. 9 and 10 to Senate Bill No. 5

Amendment No. 9

On page 20 of the printed bill, as amended in the Senate on March 10, 1947, strike out lines 1 to 6, inclusive.

Amendment No. 10

On page 37, lines 11 and 16, of the printed bill, as amended in the Senate on March 10, 1947, strike out the numerals "30".

Amendments read.

Motion That Substitute Amendments Be Adopted

Mr. Geddes moved the adoption of the following substitute amendments:

Amendment No. 9

On page 21 of the printed bill, as amended in the Assembly on March 28, 1947, strike out lines 3 to 8, inclusive

Amendment No. 10

On page 38, line 11, of the printed bill, as amended in the Assembly on March 28, 1947, strike out "30"; and in line 15, strike out "30"

Amendments read.

Speaker Presiding

At 3.38 p.m., Hon. Sam L Collins, Speaker of the Assembly, presiding.

Motion for Committee of the Whole

Mr. George D. Collins moved that the Assembly resolve itself into a Committee of the Whole for the purpose of hearing from the Public Utilities Commissioners relative to proposed Amendments Nos. 9 and 10 to Senate Bill No. 5, tomorrow, Tuesday, April 1, 1947, at 2 p.m.; and that this matter be set as a special order of business, at that time; and that further action on above amendments be deferred at this time.

Mr. Burns seconded the motion.

Motion carried.

Request For Unanimous Consent That Chief Clerk Be Instructed to Request the Attendance of Public Utilities Commissioners to Appear Before the Assembly

Mr. George D. Collins asked for, and was granted, unanimous consent that the Chief Clerk be instructed to contact Messrs. Justus Craemer, Warren Brown, and all other Public Utilities Commissioners available, and request them to appear before the Assembly for the purpose of supplying information on Tuesday, April 1, 1947, at 2 p.m.

Consideration of Committee Amendments Nos. 11, 12, and 13 to Senate Bill No. 5

Amendment No. 11

In lines 16 and 17 of the title of the printed bill, as amended, strike out "Part 4, comprising Sections 9601 to 10501, inclusive, to Division 2 of, and".

Amendment No. 12

Strike out all of pages 22 to 36, inclusive, of said bill, and on page 37, strike out lines 1 to 10, inclusive, and insert

"SEC. 37. Section 372 of the Vehicle Code is amended to read:

372. Weight Fees for Commercial Vehicles. (a) In addition to the registration fee specified in Section 370, there shall be paid fees as set forth in this section for the registration of every vehicle of a type subject to registration used or maintained for the transportation of persons for hire, compensation or profit or designed, used or maintained primarily for the transportation of property

(b) For any electric vehicle designed, used or maintained as described in subdivision (a) hereof fees shall be paid for registration according to the following schedule:

Unladen Weight	*Fee*
(1) Less than 6,000 lbs.	$36 00
(2) 6,000 lbs. or more but less than 10,000 lbs.	72.00
(3) 10,000 lbs or more	96 00

(c) For any motor vehicle having not more than two axles and designed, used or maintained as described in subdivision (a) hereof, other than an electric vehicle, fees shall be paid for registration according to the following schedule

	Unladen Weight	*Fee*
(1)	3,000 lbs to and including 4,000 lbs	$10 00
(2)	4,001 lbs to and including 5,000 lbs	20.00
(3)	5,001 lbs. to and including 6,000 lbs	30 00
(4)	6 001 lbs to and including 7,000 lbs	40 00
(5)	7,001 lbs to and including 8,000 lbs	50.00
(6)	8 001 lbs to and including 9,000 lbs	60 00
(7)	9,001 lbs. to and including 10,000 lbs	70.00
(8)	10,001 lbs to and including 11,000 lbs	80 00
(9)	11,001 lbs. to and including 12,000 lbs.	90 00
(10)	12,001 lbs to and including 13,000 lbs	100 00
(11)	13,001 lbs to and including 14,000 lbs	110 00
(12)	14,001 lbs and over	120.00

(d) For any motor vehicle having three or more axles and for any trailer or semitrailer designed, used or maintained as described in subdivision (a) hereof other than an electric vehicle, fees shall be paid for registration according to the following schedule:

	Unladen Weight	*Fee*
(1)	2,000 lbs. to and including 3 000 lbs	$8 00
(2)	3 001 lbs. to and including 4,000 lbs	15 00
(3)	4,001 lbs. to and including 5,000 lbs	30 00
(4)	5,001 lbs to and including 6,000 lbs	45 00
(5)	6,001 lbs to and including 7 000 lbs	60 00
(6)	7 001 lbs to and including 8,000 lbs	75.00
(7)	8,001 lbs. to and including 9,000 lbs	90 00
(8)	9 001 lbs to and including 10,000 lbs	105 00
(9)	10,001 lbs to and including 11,000 lbs.	120 00
(10)	11,001 lbs to and including 12,000 lbs	135 00
(11)	12,001 lbs to and including 13,000 lbs	150 00
(12)	13,001 lbs to and including 14 000 lbs.	165 00
(13)	14,001 lbs. to and including 15,000 lbs	180 00
(14)	15 001 lbs and over	200 00

Amendment No. 13

On page 37, line 11, of said bill, strike out "37, and 37 5", and insert "and 37"

Amendments read.

Motion That Substitute Amendments Be Adopted

Motion to Amend

Mr. Knight moved the adoption of the following substitute amendments:

Amendment No. 11

In line 12 of the title of the printed bill, as amended, after "781 of", insert ", and to add Section 372 2 to,".

Amendment No. 12

In lines 16 and 17 of the title of said bill, strike out "Part 4, comprising Sections 9601 to 10501, inclusive, to Division 2 of, and".

Amendment No. 13

Strike out all of pages 23 to 37, inclusive, of said bill; and on page 38, strike out lines 1 to 10, inclusive, and insert

"SEC. 37. Section 372 of the Vehicle Code is amended to read:

372. Weight Fees for Commercial Vehicles. (a) In addition to the registration fee specified in Section 370, there shall be paid fees as set forth in this section for the registration of every vehicle of a type subject to registration used or maintained for the transportation of persons for hire, compensation or profit or designed, used or maintained primarily for the transportation of property.

(b) For any electric vehicle designed, used or maintained as described in subdivision (a) hereof fees shall be paid for registration according to the following schedule:

	Unladen Weight	*Fee*
(1)	Less than 6,000 lbs	$36.00
(2)	6,000 lbs or more but less than 10,000 lbs	72 00
(3)	10,000 lbs. or more	96 00

(c) For any motor vehicle having not more than two axles and designed, used or maintained as described in subdivision (a) hereof, other than an electric vehicle, fees shall be paid for registration according to the following schedule:

	Unladen Weight	*Fee*
(1)	3,000 lbs to and including 4,000 lbs.	$10.00
(2)	4,001 lbs. to and including 5,000 lbs	20 00
(3)	5,001 lbs. to and including 6,000 lbs	30 00
(4)	6,001 lbs to and including 7,000 lbs.	40 00
(5)	7,001 lbs. to and including 8,000 lbs	50.00
(6)	8,001 lbs. to and including 9,000 lbs	60.00
(7)	9,001 lbs to and including 10,000 lbs.	70 00
(8)	10,001 lbs. to and including 11,000 lbs	80 00
(9)	11,001 lbs. to and including 12,000 lbs.	90.00
(10)	12,001 lbs. to and including 13,000 lbs.	100.00
(11)	13,001 lbs. to and including 14,000 lbs.	110 00
(12)	14,001 lbs. and over	120.00

(d) For any motor vehicle having three or more axles and for any trailer or semi-trailer designed, used or maintained as described in subdivision (a) hereof other than an electric vehicle, fees shall be paid for registration according to the following schedule.

	Unladen Weight	*Fee*
(1)	2,000 lbs. to and including 3,000 lbs	$8 00
(2)	3,001 lbs to and including 4,000 lbs	15.00
(3)	4,001 lbs to and including 5,000 lbs.	30 00
(4)	5,001 lbs to and including 6,000 lbs.	45.00
(5)	6,001 lbs. to and including 7,000 lbs	60.00
(6)	7,001 lbs. to and including 8,000 lbs.	75 00
(7)	8,001 lbs. to and including 9,000 lbs	90 00
(8)	9,001 lbs to and including 10,000 lbs	105 00
(9)	10,001 lbs. to and including 11,000 lbs.	120.00
(10)	11,001 lbs. to and including 12,000 lbs.	135 00
(11)	12,001 lbs to and including 13,000 lbs	150 00
(12)	13,001 lbs. to and including 14,000 lbs	165.00
(13)	14,001 lbs to and including 15,000 lbs	180 00
(14)	15,001 lbs. and over	200 00"

Amendments read

Motion to Defer Action on Proposed Committee and Substitute Amendments Nos. 11, 12, and 13

Mr George D Collins moved that consideration of both committee and proposed substitute Amendments Nos. 11, 12 and 13 to Senate Bill No. 5, be deferred until after testimony has been heard from the Public Utilities Commissioners, tomorrow, at 2 p m

Mr Gannon seconded the motion.

The roll was called, and the motion lost by the following vote:

AYES—Blosser, Brown, Burns, Caldecott, Carey, Clarke, Collier, George D. Collins, Cooke, Crichton, Crowley, Lester T Davis, M. Philip Davis, Dickey, Fletcher, Gallney, Gannon, Hawkins, Heisinger, Johnson, Kilpatrick, Loomis, Maloney, McMillan, Miller, and Thomas—26

NOES—Allen, Boyd, Burke, Butters, Conrad, Debs, Ralph C. Dills, Dolwig, Dunn, Erwin, Field, Geddes, Grant, Grunsky, Hahn, Hinckley, Hinton, Hollibaugh, Huyck, James, Kirkwood, Knight, Lowrey, Luckel, Lyons, Niehouse, Robertson, Rosenthal, Sherwin, Silliman, Stephenson, Stewart, Thompson, Thorp, Thurman, Waters, Weber, and Mr Speaker—38

The question being on the adoption of the substitute amendments offered by Mr Knight to Senate Bill No. 5.

Motion to Table

Mr. Burns moved that the substitute amendments offered by Mr. Knight be laid on the table

Mr. Thurman seconded the motion.

The roll was called, and the motion lost by the following vote:

AYES—Burns, Butters, Caldecott, Carey, Clarke, Collier, Crowley, Lester T Davis, M Philip Davis, Heisinger, Kilpatrick, Kirkwood, Loomis, Miller, Sheridan, Sherwin, Thomas, Thorp, and Thurman—19.

NOES—Allen, Anderson, Bennett, Blosser, Boyd, Brady, Brown, Burke, George D. Collins, Conrad, Cooke, Crichton, Debs, Dickey, Ralph C. Dills, Dolwig, Doyle,

Dunn, Erwin, Field, Gaffney, Geddes, Grant, Grunsky, Hahn, Hawkins, Hinton, Hollibaugh, Huyck, James, Johnson, Knight, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Niehouse, Price, Sillman, Stephenson, Stewart, Thompson, Waters, Weber, and Mr. Speaker—47.

The question being on the adoption of the substitute amendments offered by Mr. Knight to Senate Bill No 5.

Point of Order

Mr. Ralph C. Dills arose to the following point of order: That several members were not speaking to the subject.

Ruling by Speaker

Speaker Collins ruled the point of order well taken.

The question being on the adoption of the substitute amendments offered by Mr. Knight to Senate Bill No. 5.

Substitute Motion

Mr. M. Philip Davis moved that all proposed amendments to be offered by Mr. Knight to Senate Bill No. 5 be considered, at this time, and that there be no division of the question on his amendments.

Mr. Collier seconded the motion.

Motion lost.

Motion to Temporarily Suspend the Rules

Mr. M Philip Davis moved that the Rules be temporarily suspended for the purpose of considering all of Mr. Knight's proposed amendments to Senate Bill No 5, at this time.

The roll was called.

Motion for Call of the Assembly

Pending the announcement of the vote, Mr. M Philip Davis moved a call of the Assembly.

Motion lost.

Motion for temporary suspension of the Rules lost by the following vote:

AYES—Brown, Burns, Butters, Caldecott, Carey, Clarke, Collier, Conrad, Cooke, Crowley, Lester T Davis, M. Philip Davis, Debs, Dolwig, Doyle, Erwin, Grunsky, Hahn, Heisinger, Hinton, Huyck, Johnson, Kilpatrick, Kirkwood, Knight, Maloney, McCollister, McMillan, Miller, Robertson, Rosenthal, Sheridan, Sherwin, Thomas, Thorp, Thurman, Waters, and Weber—38

NOES—Allen, Bennett, Blosser, Boyd, Brady, Burke, George D. Collins, Crichton, Dickey, Ralph C. Dills, Dunn, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Hawkins, Hollibaugh, James, Loomis, Lowrey, Luckel, Lyons, Niehouse, Price, Sillman, Stewart, and Thompson—29.

The question being on the adoption of the substitute amendments offered by Mr Knight to Senate Bill No 5.

The roll was called, and the amendments adopted by the following vote:

AYES—Allen, Anderson, Bennett, Boyd, Brady, Brown, Burke, Butters, Carey, Conrad, Cooke, Crichton, Debs, Dickey, Ralph C Dills, Dolwig, Doyle, Dunn, Erwin, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Knight, Lowrey, Luckel, Lyons Maloney, McCollister, McMillan, Niehouse, O'Day, Price, Robertson, Rosenthal, Sherwin, Sillman, Stewart, Thompson, Thorp, Waters, Weber, and Mr Speaker—56

NOES—Burns, Caldecott, Clarke, Collier, George D. Collins, Crowley, Lester T Davis, M Philip Davis, Kirkwood, Loomis, Miller, Sheridan, Thomas, and Thurman—14

Explanation of Vote

I voted for Mr Knight's amendment upon his statement that he would present another amendment to increase the income from the trucks to raise approximately nineteen million dollars annually

S L. HEISINGER

SPECIAL ORDER OF BUSINESS CONTINUED

By unanimous consent, the special order of business set for 2 p.m., on Tuesday, April 1, 1947, was continued until Wednesday, April 2, 1947, at 10 a.m., for the purpose of better suiting the convenience of the Public Utilities Commissioners.

REQUEST THAT MEMBERS BE EXCUSED TO GO TO THE GOVERNOR'S OFFICE

At 4.42 p.m., Mr. Ralph C. Dills asked for unanimous consent that he and Messrs. Caldecott, Stewart, Crichton, and Maloney be excused at this time, for the purpose of attending a meeting of the Joint Interim Committee on Housing in the Governor's Office.

Unanimous consent withheld pending the lifting of the call of the Assembly.

REQUEST FOR UNANIMOUS CONSENT THAT NEWSPAPER EXCERPT BE PRINTED IN JOURNAL

Mr. Brady asked for unanimous consent that a newspaper excerpt from the Pacific Rural Press be ordered printed in the Journal.

Mr. Dickey withheld unanimous consent

Request and newspaper excerpt ordered referred to the Committee on Rules.

FURTHER PROCEEDINGS UNDER CALL OF THE ASSEMBLY DISPENSED WITH ON SUBSTITUTE AMENDMENT NO. 8 TO SENATE BILL NO. 5

At 4.43 p.m., on motion of Mr. Anderson, further proceedings under the call of the Assembly were dispensed with.

The names of the absentees were called.

Call of the Assembly

Pending the announcement of the vote, Mr. Dickey moved a call of the Assembly.

The roll was called, and the motion carried by the following vote:

AYES—Brady, Brown, Burns, Caldecott, Carey, Clarke, George D. Collins, Cooke, Crowley, Lester T. Davis, Dickey, Dolwig, Doyle, Gaffney, Gannon, Grunsky, Heisinger, James, Kirkwood, Loomis, Lowrey, Maloney, McMillan, Miller, O'Day, Sheridan, Sherwin, Silliman, Stephenson, Thompson, Thorp, Thurman, Weber, Wollenberg, and Mr. Speaker—36

NOES—Allen, Anderson, Bennett, Blosser, Boyd, Burke, Butters, Collier, Conrad, Crichton, M. Philip Davis, Debs, Ralph C. Dills, Erwin, Field, Fletcher, Geddes, Grant, Hahn, Hinckley, Hinton, Hollibaugh, Huyck, Kilpatrick, Knight, Luckel, Lyons, Nicholson, Price, Robertson, Rosenthal, Thomas, and Waters—33.

Time, 4.48 p.m.

The Speaker directed the Sergeant-at-Arms to close the doors, and to bring in the following absent members:

Messrs. Beck, Berry, Cooke, Cramer, Clayton A. Dills, Dunn, Evans, Hawkins, McCollister, Stanley, Stewart, and Thompson—12

Hon. C. Don Field Presiding

At 4.48 p.m., Hon. C. Don Field, Member of the Assembly from the Forty-third District, presiding.

FURTHER PROCEEDINGS UNDER CALL OF THE ASSEMBLY DISPENSED WITH ON SUBSTITUTE AMENDMENT NO. 8 TO SENATE BILL NO. 5

At 4.55 p m., Mr. Dickey moved that further proceedings under the call of the Assembly be dispensed with.

The roll was called, and the motion carried by the following vote:

AYES—Beck, Brady, Brown, Burke, Burns, Butters, Carey, Clarke, George D. Collins, Lester T. Davis, Dickey, Dolwig, Doyle, Dunn, Erwin, Field, Gaffney, Gannon, Grunsky, Heisinger, James, Johnson, Kirkwood, Loomis, Lowrey, Maloney, Miller, O'Day, Sheridan, Sherwin, Silliman, Stephenson, Thompson, Thorp, Thurman, Weber, Wollenberg, and Mr. Speaker—38.

NOES—Allen, Anderson, Bennett, Blosser, Boyd, Collier, Conrad, Cooke, M. Philip Davis, Geddes, Grant, Hahn, Hawkins, Hinton, Hollibaugh, Huyck, Kilpatrick, Luckel, Lyons, Rosenthal, Thomas, and Waters—22.

Speaker Presiding

At 4.57 p m., Hon Sam L. Collins, Speaker of the Assembly, presiding

The names of the absentees were called, and Substitute Amendment No 8, offered by Mr. Anderson to Senate Bill No. 5, adopted by the following vote:

AYES—Allen, Anderson, Bennett, Boyd, Burke, Butters, Collier, Conrad, Cooke, M Philip Davis, Debs, Ralph C. Dills, Doyle, Erwin, Evans, Field, Fletcher, Geddes, Grant, Hahn, Hawkins, Hinckley, Hinton, Hollibaugh, Huyck, Kilpatrick, Knight, Luckel, Lyons, McMillan, Niehouse, Price, Robertson, Rosenthal, Stewart, Thomas, Waters, and Mr Speaker—38.

NOES—Blosser, Brady, Brown, Burns, Caldecott, Carey, Clarke, George D. Collins, Crichton, Crowley, Lester T. Davis, Dickey, Dolwig, Dunn, Gaffney, Gannon, Grunsky, Heisinger, James, Johnson, Kirkwood, Loomis, Lowrey, Maloney, McCollister, Miller, O'Day, Sheridan, Sherwin, Silliman, Stephenson, Thompson, Thorp, Thurman, Weber, and Wollenberg—36

Notice of Motion to Reconsider Amendment No. 8 to Senate Bill No. 5

Mr. Burns gave notice that on the next legislative day he would move to reconsider the vote whereby Mr Anderson's Substitute Amendment No. 8 to Senate Bill No. 5 was this day adopted.

Motion to Reconsider Amendment No. 8 to Senate Bill No. 5, at This Time

Mr. M Philip Davis moved that the reconsideration of the vote whereby Amendment No 8 to Senate Bill No. 5 was this day adopted, be taken up at this time.

Mr. Lowrey seconded the motion

Motion to Adjourn

Mr Burns moved that the Assembly do now adjourn until 9 a.m., Tuesday, April 1, 1947.

Motion to Amend

Mr. Dickey moved that the motion to adjourn, made by Mr. Burns, be amended, and that the Assembly do now adjourn until 10.05 a m., Tuesday, April 1, 1947.

The roll was called, and the motion, as amended, carried by the following vote:

AYES—Blosser, Brady, Brown, Burns, Butters, Caldecott, Carey, Clarke, George D Collins, Cooke, Crowley, Lester T Davis, Dickey, Dolwig, Dunn, Fletcher, Gaffney, Gannon, Grunsky, Heisinger, James, Johnson, Kirkwood, Loomis, Lowrey, Maloney, Miller, O'Day, Robertson, Sheridan, Sherwin, Silliman, Stephenson, Thompson, Thorp, Thurman, Weber, Wollenberg, and Mr. Speaker—39

NOES—Allen, Anderson, Bennett, Boyd, Burke, Collier, Conrad, M Philip Davis, Debs, Doyle, Erwin, Field, Geddes, Grant, Hahn, Hawkins, Hinton, Hollibaugh, Huyck, Kilpatrick, Luckel, Lyons, McMillan, Niehouse, Price, Rosenthal, Thomas, and Waters—28

Senate Bill No. 5 ordered reprinted.

HEARING BEFORE THE COMMITTEE ON REVENUE AND TAXATION ON THE CALIFORNIA STATE HIGHWAY SYSTEM

VOLUME XI

Assembly Chamber, State Capitol
Sacramento, California

Tuesday, March 18, 1947, 2 p.m.

CHAIRMAN HOLLIBAUGH: I will call the roll of the Assembly Revenue and Taxation Committee.

(Thereupon roll call was had.)

Nine, there is a quorum present.

This will be a continuation of yesterday's meeting, and I might announce at this time that at a meeting of the committee this morning in executive session, it was decided to carry on today and tomorrow and the following day to hear other bills before this committee that have a bearing on this problem, and we urge the Members of the Assembly to submit their amendments to Senate Bill No. 5 to the committee for consideration Thursday night.

By a motion that was carried unanimously, it was agreed to hold an executive session Thursday night to consider these amendments, not to take official action upon them, but merely to sort them out, and have the committee see how many they could get together in order to save a lot of duplication.

However, there was a question that arose when this announcement was made this morning regarding the press. I was asked that the press be excluded from this meeting, and I told them that had not been discussed. As far as I am concerned personally, I have no objection to their presence, and in the meantime I have conferred with several members of the committee and I wish to announce they agree with me This is no behind-the-door session; we are not trying to conceal anything; we are merely trying to facilitate our work So far as we are concerned, if the press cares to be present, they may do so

Now, we will continue this afternoon with Mr. Collier, who has some of the members of the staff with him that he wishes to present Senator Collier:

SENATOR RANDOLPH COLLIER: Mr. Chairman, Gentlemen of the Committee.

It is our intention today to put on one of the experts of the staff, Mr. Richard M. Zettel, who, as you know, reported to our joint committee certain facts relating to the financial part and taxation discussion

I think it is right, since Mr Zettel's efforts belong to the whole Legislature, and the people of California, that you should have the benefit of his advice and judgment, and the privilege of questioning Mr. Zettel in order to straighten out any thoughts that might have been in your thoughts, or reconcile any figures or statements that he has made.

I think Mr. Zettel is one of our capable financial experts, he has done an outstanding work, as working not only through this session, but his work will live in the highway problem for many, many years to come. The committee itself feels greatly indebted to this man whose outstanding work is well known, and with that introduction, I would like to introduce to you, Mr. Zettel.

MR. RICHARD M. ZETTEL (Tax Analyst for the Joint Fact-Finding Committee on Highways, Streets and Bridges):

Mr. Chairman, and Gentlemen of the Revenue and Taxation Committee of the Assembly:

Yesterday Senator Carter explained the provisions of Senate Bill No. 5. He covered in considerable detail the legal provisions. Today I want to discuss with you the tax proposals in Senate Bill No. 5, not only discuss just merely the fact that certain rates are increased, but also some of the reasons and some of the history that is in back of those taxes increases, and the reasons why certain taxes were recommended by the staff, and why many of those recommendations have been adopted and are included in Senate Bill No. 5. Some of the taxes are extremely simple, easy to understand, others are quite complicated.

As you know, the first and most important tax in Senate Bill No. 5, at least from point of volume of revenue it will produce, is the gasoline tax. The gasoline tax is increased from 3 cents to 5 cents per gallon, by Senate Bill No. 5. The tax is easy to understand, it has met widespread and popular acceptance as a means of measuring road use.

The gasoline tax was first introduced in Oregon in 1919, it was introduced in California in 1923 with a 2-cent rate. At that time one-half of the money was allocated to counties, that is, 1 cent of the gasoline tax. They have been getting 1 cent of the gasoline tax ever since 1923. The other 1 cent of gasoline tax went to the State for maintenance of state highways. In 1927 the gasoline tax was increased to 3 cents, the additional cent going to the State for construction of state highways. The tax has not been changed since 1927, but there have been other developments which have to a considerable extent reduced the proportion that has been available to the State. In 1933, county road mileage was reduced and added to the State Highway System, almost 6,600 miles. I believe the figure is, almost doubling the State Highway System. At that time there was no change in the gasoline tax rate, so that an additional burden was placed upon the State. At that same session of the Legislature, the State was given responsibility for additional expenditures in cities. One-quarter cent of the gasoline tax was earmarked for state highways in cities, reducing then, the amount that was available for other purposes, to $1\frac{3}{4}$ cents.

In 1935 an additional $\frac{1}{4}$ cent of the gasoline tax was made available for earmarking for major city streets, thus reducing again the amount that was available to the State. There have been no changes since that time which affect the gasoline tax.

As I say, the gasoline tax is not a perfect measure but is a widely accepted measure of road use. It is not a sales tax. It has no relation to the selling price of the fuel. It is only a convenient means of metering use of roads by vehicles, and it would work very well if all vehicles were of the same type. This particular point I shall develop a little later in this discussion.

It has been pointed out quite often recently that other states have considerably higher taxes than does California. We recognize, of course, the fact that if another state has a higher tax, that is no reason why California should have a higher tax. in fact, it would be desirable to have the lesser tax, or the lowest tax in the Nation, but since you are faced with a critical highway problem, I think it is well for the Legislature not only to examine the history of the taxes in its own State, but also to look into the practices of other states. It is some indication of what people are paying for highways and what they can afford to pay.

Now, 40 states of the Union have higher gasoline taxes than California at the present time. Twenty states have a 5-cent tax, or more. California is not the only state, apparently, that is now faced with a serious highway problem. Pending before the legislatures of 21 states there are proposals to increase the gasoline tax. Colorado within the last week or two increased the gasoline tax in that state from 4 to 6 cents per gallon. Thirteen of the 20 states having a 4-cent rate are considering increases at the present time. Five states with 5 cents or more are considering tax increases, and four of the eight states with less than 3 cents are also considering gasoline tax increases. Again I say that the fact that other states are increasing taxes or have higher taxes is only a guide, one guide, to the Legislature when it is dealing with a critical highway problem and is searching for means of financing that program.

The second tax that I shall discuss is the diesel tax, legally known as the use fuel tax. Senate Bill No. 5 proposes to increase the present diesel tax from 3 cents per gallon to 7½ cents per gallon. The reason that the differential was suggested by the staff, and apparently your joint committee have concurred in the recommendation, that a differential was justified, as the differences in efficiency of fuels differ.

As I indicated earlier, the fuel tax is simply a means of measuring road use and we found in our investigation that there was a substantial difference between the efficiency between diesel fuel and gasoline, so that diesel trucks are paying substantially less per mile of road use than the gasoline trucks of the same size.

It has been contended that there is no justification for any differential but we have carefully investigated studies made in this and other states and concluded that a differential of at least 50 percent was warranted.

For the purpose of the record, I'd like to say that our recommendation has been apparently misunderstood. We should like to indicate some of the sources which prompted us to this conclusion.

We should like to refer first to a study entitled "The Effect of Highway Design to Vehicle Speed and Fuel Consumption" by the Oregon State Highway Commission. On page 99 of that report the commission shows its findings in an investigation of the Consolidated Freight Lines, Incorporated. This study was made in cooperation with Consolidated Freight Lines, and in that study it is concluded, "In terms of fuel quantity used by the two different types these tests indicate that the diesel-powered truck will use about 40 percent less fuel than the gasoline powered truck."

I'd like to translate that into terms of a practical example. If a gasoline truck used 100 gallons of gasoline, a diesel truck would operate the same mileage, that is, approximately, everything the same, the same

load factor, would operate the same mileage with 60 gallons of fuel. If the rate is the same, say a 5-cent rate, the diesel truck would pay 60 gallons time 5 cents, $3.00; the gasoline truck would pay 100 times 5 cents, or $5, for equal mileage over the road.

A second report which verifies our conclusion, we believe, is that of the Washington State Highway Commission, rather, the State Highway Cost Commission, which was a special commission set up by the Legislature in Washington. On page 102 of that report it is stated that "dieselized trucks in this State pay in proportion to the highway services rendered them—only 60 percent as much in motor fuel taxes as trucks burning gasoline." In other words, the conclusion of the commission in Washington was the same as that in the State of Oregon.

F. G. Crawford, Professor of Political Science and Dean of the College of Liberal Arts of Syracuse University, is an outstanding authority on motor fuel taxation in the United States. Professor Crawford has written a number of books on gasoline taxation. In the latest edition of his book entitled, "Motor Fuel Taxation in the United States," published in 1939, on page 80 Professor Crawford says, "In the transportation of comparable loads for comparable distances, trucks equipped with diesel engines consume 30 to 50 percent less fuel than trucks equipped with gasoline engines."

The Public Service Commission of Nevada made a transportation survey for the 1941 Legislature of Nevada, and in Table 15 of that report it is shown that the consumption of diesel fuel per ton-mile is less than half that of gasoline.

The Board of Investigation and Research established by the Congress under the Transportation Act of 1940, in its report on Carrier Taxation, reported on page 224 that gasoline consumption has been estimated at from 50 to 100 percent greater than diesel consumption.

All of these impartial studies indicate to us that a 50 percent tax differential is justified if the vehicles are to be required to pay equal amounts for equal use of the highways, but there are other sources of information which substantiate the recommendations of your joint committee, which were embodied in Senate Bill No. 5.

Mr Charles G. Anthony appeared before your joint interim committee on December 21, 1946, and before the Senate Transportation Committee in January 1947. He appeared as an expert witness for the trucking industry. Mr. Anthony made some studies of diesel consumption, and I should like to implicate Mr. Anthony because he is represented to these hearings by Mr. David Sherer, Trucking Industry, Incorporated.

Now, Mr. Anthony wrote several articles on diesel and gasoline consumption which were published in the *Commercial Car Journal* in 1936 This *Commercial Car Journal* is a magazine for fleet operators. In August 1936, Mr. Anthony, who was at that time Vice President of Pacific Freight Lines of Los Angeles, reported the results of a comprehensive study of gasoline and diesel trucks. In describing the study Mr. Anthony said, "The trucks used in this study belong to Pacific Freight Lines which is now operating 86 trucks equipped with Cummins diesel motors and several hundred equipped with gasoline motors. Pacific Freight Lines operates throughout Southern California and Arizona. In this territory there is a wide variation in operating conditions. In the

main the operations are all over primary highways but numerous grades are encountered and temperature conditions range from the intense heat of the Mojave Desert and Imperial Valley to the moderate temperatures encountered in the operations between the cities lying along the Pacific Ocean, between San Luis Obispo and San Diego. From this large fleet 20 Sterling trucks, of the same design, were selected for study. They were operated under the same conditions, same gross-weight load factor, in the same territory and over regular routes."

Mr. Anthony summarized the findings from this study of 10 diesel trucks and 10 gasoline trucks on pages 40 and 42 of the article, as follows in the *Commercial Car Journal*, and I quote these findings:

"1 A diesel-motored truck runs slightly over twice as far on a gallon of fuel as does a gasoline-motored truck.

"2. The cost of fuel per mile for a gasoline-motored truck is slightly over six times greater than for a similar diesel-motored truck.

"3. The cost of maintenance of diesel equipment has been decreased, because of improved design, to a unit cost per mile slightly less than the cost of maintenance of gasoline-motored equipment.

"4. Improved design of diesel equipment has resulted in the same number of miles per gallon of lubricating oil, as experienced for gasoline-motored equipment.

"5. If cost of diesel fuel increased 317 percent to the same cost as gasoline, there would still be a saving of 50 percent of fuel cost in the diesel operation.

"6. Cost of diesel fuel would have to advance 643 percent before the fuel cost would be equalized between the two types of equipment.

"7. The cost of diesel fuel would have to increase 497 percent to equalize the cost of operation of the two types of equipment."

That is the end of the quotation from Mr. Anthony's article. I want to emphasize only the first point, that a diesel truck "runs slightly over twice as far on a gallon of fuel as does a gasoline-motored truck." We are not intending, of course, to equalize the price between diesel and gasoline That is not the purpose of giving that recommendation It was recommended because we feel that two trucks of similar size should pay the same amount per mile for use of the road.

Mr. Anthony continued his investigations and in September 1936, he reported the results of a study, which he completed, of the operations of 25 transportation companies operating in California and Arizona. He summarizes his analysis on page 15 of the *Commercial Car Journal* and among the important facts revealed is that the average six-wheel gasoline truck operated with a six-wheel ten-ton trailer got 3.25 miles per gallon while the similar diesel truck operated with a ten-ton trailer got 6.01 miles per gallon, or almost twice as much

As an interesting side line, Mr. Anthony compares registration and weight fees in Arizona and California, showing that the combination paid $146 in California and $339 30 in Arizona. At the same time, there was a 3-cent per gallon fuel tax in California, and a 5-cent per gallon fuel tax in Arizona.

In December 1936, Mr. Anthony wrote an article entitled, "Diesels Double the Economic Sphere of Trucks."

It may be argued, and it has been argued, that conditions have changed since those articles were written. It has been suggested that

great improvements in gasoline engines have been made. At the same time there has been no mention of improvements in the efficiency of diesel engines. In the *Commercial Car Journal* for May 1946, Mr. L. M. Bierbodt, maintenance superintendent of the Chief Freight Lines of Kansas City, Missouri, wrote an article entitled "Diesel Fleet's Program for Million-Mile Performance." I shan't go into the details of that article. One of the important points, at least relevant to the current discussion is the fact that Mr. Bierbodt points out we are getting nine miles per gallon of diesel fuel. Again, this article appears in the Commercial Car Journal for May 1946.

In the *National Petroleum News* for September 25, 1946, less than six months ago, there is an article entitled "Farm Tractor Trend Toward Diesel Power." Generally, this article substantiates our conclusions that a differential tax is justified. In one study reported in this particular article, it is shown that diesel engines use about 68 percent of the fuel used by gasoline engines in gallons at three-quarter load, which may be considered an average.

In the same article, *National Petroleum News*, September 25, 1946, Mr. J. C. Hoiby, chief engineer of D. W. Onan and Sons, stated that a diesel-powered generator set was using 1,460 gallons of fuel a year, compared with 2,500 gallons for a comparable gasoline-powered set, in this case only 58 percent as much diesel fuel was required as gasoline was required for a similar operation. Now these particular tests, which are the most recent we have. It does not cover operations of trucks over the road, but I think it does show the differences in the efficiency of diesel and gasoline fuel.

We have one further study. In April 1946, in the Journal of the Society of Automotive Engineers, F. Glen Shoemaker and H. M. Gadebusch published an article entitled, "Effect of Diesel Fuel Economy on High-Speed Transportation." These two gentlemen are members of the engineering staff of the Detroit Diesel Engine Division of General Motors Corporation. In their article they trace the history of and development of diesel engines. In a number of graphs they show diesel fuel consumption as compared with gasoline consumption. On page 156 they explain:

"The fuel consumption of the diesel engine has been plotted as a percentage saving of the fuel consumption of the gasoline engine at corresponding speeds and loads. This shows a reduction in fuel consumed of from 25 to 40 percent over the range from full load and full speed to half load and half speed. This is the usual operating range of commercial vehicle engines."

If we examine the chart published by the two engineers, we find that for three-quarter load and three-quarter speed, which may be considered average operating conditions, the saving of diesel is about 33⅓ percent which would justify a tax differential of 50 percent in order to equalize tax payments for comparable use. This article was published in April, 1946.

All of the foregoing data indicate that a tax differential is justified if equal payments are to be exacted, and the preponderance of evidence shows that not less than 50 percent differential is justified. However, we have one other source of information; we had as consultant Mr. Charles Deering of Brooking Institute, who served as assistant to the late Joseph

B. Eastman, when he was director of the Office of Defense Transportation. Mr. Deering is experienced with O.D.T, and said, that in his opinion, at least, a 50 percent differential in the tax was justified. We also attempted to get further information, and we requested the Board of Equalization to make a survey.

The board contacted 15 operators of which only five were found to have adequate records for a study of this nature. This was in Southern California A summary of the data shows that a gasoline-powered truck would get 70 ton-miles per gallon of fuel while a diesel-powered vehicle would get 111 ton-miles per gallon of fuel. In other words, the diesel vehicle would use only 64 percent as much fuel as the gasoline-powered vehicle for similar operations Translating this into the practical effects of Senate Bill No. 5 means that a gasoline vehicle would use 100 gallons of gasoline to get the same amount of road use as a diesel truck using 64 gallons. Senate Bill No. 5 establishes a 5-cent tax for gasoline, which would mean that $5 in fuel taxes would be paid for 100 gallons of gasoline. For the same amount of road use at 7½ cents per gallon, $4.80 would be paid on the diesel vehicle.

When the 3-cent diesel tax was first imposed, I understand there were dire predictions that such a tax would drive operators from diesel to gasoline engines because diesels were in the experimental stage and a 3-cent tax would remove any advantages that diesels might have. There is just one other fact that I wish to call to your attention in this regard. Between 1937, the first year of the diesel tax, and 1945, the number of diesel vehicles in California increased 353 percent, and the amount of diesel travel in California increased 1,400 percent.

Under these circumstances, we certainly feel that a tax differential is justified and if as is recommended in Senate Bill No. 5, gasoline is raised to 5 cents and diesel to 7½ cents, if any adjustment is made in gasoline, that adjustment should be made in the diesel tax rate—in other words, should the rate be lowered, the diesel tax rate should also be lowered, and move in proportion to the decrease. If the tax is increased, a similar change should be made upward in the diesel tax.

Now, Senate Bill No 5 proposes to increase the present registration fee from $3 to $6. This increase was not included in any of the staff's recommendations. That has been pointed out by various people.

CHAIRMAN HOLLIBAUGH: Will you gentlemen please remain a little more quiet. There is quite a bit of noise in the Assembly, and it interferes with this gentleman's presentation. You may proceed

MR. ZETTEL: Your joint committee, however, made certain modifications in the financial recommendations embodied in the Lindman Report, one of which was to provide specifically that a first obligation of the State was to protect the present investment in the road plant by providing for adequate maintenance. It was primarily to take care of this modification that an increase in the registration fee was included in Senate Bill No. 5. The question may be raised, from the theoretical point of view, as to whether there is any justification for an increase in the registration fee, particularly since the staff and your committee have emphasized road use as a proper basis of highway user taxation. There are many authorities in the field, however, who feel that while road use is the proper basis for user taxes, there is justification for imposition of a standby charge of a nominal amount. The reason for that is that a

good many drivers are the so-called "Sunday" driver. In other words, there are many drivers who use the road sparingly—out on the roads only on Sunday, but it is those drivers very frequently who contribute the peak load of traffic, and it is necessary to construct highways that will accommodate peak load, or near peak load traffic.

It is for this reason that a number of economists recommend a stand-by charge. They know that many of the drivers do not make an adequate contribution to highway costs by the motor fuel taxes alone, since they are driving only on weekends, and therefore contributing very little to highway costs.

With regard to registration fee practices in other states. There are 26 states that have registration fees of $10 or more The increase under Senate Bill No. 5 will increase that tax in California to $6. There are 33 states of the Union that have registration fees of $7 or more, and only eight states, including California, have registration fees of less than $5.

Again, there is an interesting sidelight. Governor Dewey of New York in the last week or so has recommended giving counties and cities power to levy registration fees of $10 for trucks and $5 for passenger cars.

We, at least the staff, I am sure, would rather do it the way it is done in the Senate Bill No 5, to take care of certain maintenance of county roads and city streets by levying the tax as a state levy.

The next tax, there are five in all, imposed by Senate Bill No. 5, is a drivers and chauffeurs license. Senate Bill No. 5 proposes to charge an operator of a motor vehicle $5 for a new license and $4.50 for a renewal of a three-year license. California is one of the few states now issuing driving licenses free This new tax amounts to $1.50 per year per driver.

Now, the purpose of recommending a driver's license fee in California was to provide revenue to support the Division of Drivers' Licenses, and also to support the State Highway Patrol. At the present time, more than 36½ percent of the registration fees and weight fees collected from passenger cars and trucks are used to defray the cost of the Department of Motor Vehicles, including the Division of Drivers' Licenses and the Highway Patrol, and if the Highway Patrol is to be expanded, additional funds will have to come from some source.

It was to release the users' taxes and the registration and weight fees for highway purposes that a drivers' license was suggested. It was also based upon the principle that it was fair to spread the cost of drivers' licenses over all rather than over motor vehicle owners alone, because there is a substantially larger number of drivers than there are motor vehicle owners.

Now we come to the tough one.

Senate Bill No. 5 embodies an entirely new principle of truck taxation. We believe that the underlying principle of the new system is sound.

At the present time California has a system of unladen weight taxes. Small trucks pay $8 and fees range up to $70 for the largest trucks. This system has been in effect since 1927. The taxes imposed in California are among the very lowest in the Nation. It may be objected that the fact that taxes are higher in other states, there is no reason to increase them in California, but when we are faced with a critical highway situation and are searching for means to pay for the highway system, as

your joint committee was, the practices of other states furnish a guide as to what we might reasonably expect trucks to pay in California.

On page 134 of the Tax Analysis, which was made for your committee, we show a table of average weight taxes imposed against trucks throughout the Nation. For the largest trucks shown in this table—10 to 22½ tons rated capacity—the average tax in California was $64. Incidentally, California has more of these large trucks than any other state. Only one state—Massachusetts—has a lower weight tax than California. The other 46 states have higher taxes. Forty-four states and the District of Columbia have taxes of $100 or more as compared with California's $64 average. Twenty-nine states have taxes of $200 or more as compared with $64 for California. Sixteen states collect five times—and in some cases substantially more than five times—as much from each large truck as California collects.

The second tax imposed by California against trucks is the controversial 3 percent gross receipts tax. This tax in its very nature is applicable only to for-hire carriers or private carriers who make a specific charge for transportation services.

In our studies we have always considered this tax to be a highway users' tax. In other words, we have given for-hire carriers credit for paying this amount when we compared their payments with what a fair tax burden for highway use should be.

Gross receipts taxes were first imposed in California in 1923. They were imposed at the same time that gasoline taxes were imposed, and the system of registration and weight taxes was revised. They were imposed as a result of recommendations by the State Board of Equalization, the State Highway Commission, and other interested parties, all of whom thought that additional taxes should be imposed against for-hire carriers because of their special and extensive use of the highways. The Legislature at the same time chose between two alternatives—this was in 1923, 25 years ago—one recommendation being a mileage tax, the other a gross receipts tax. The proceeds of this first tax were allocated for highway purposes, being divided equally between the counties for county roads and the State for state highway purposes. We have analyzed the history of the gross receipts tax very carefully, which have existed in this State in one form or another for 25 years, and we are convinced that it was the intention of the Legislature to impose these taxes to exact compensation for highway use.

Through the years there have been various modifications of the gross receipts tax. In 1927 common carriers came under a special tax imposed under the Constitution. This was during the time when we had a "separation at source" system.

Even then, when the constitutional tax applied to the common carriers, the proceeds of this tax were ear-marked for highway purposes, although they went into the General Fund.

In 1933 the present 3 percent gross receipts tax was imposed against contract carriers to put them on a parity with common carriers. The proceeds of this tax levied in 1933 were used to service state highway bonds.

In 1935 the State of California abandoned the gross receipts method of taxing public utilities, but they did not abandon the tax of 3 percent gross receipts on for-hire carriers. As nearly as we can tell, the reason

for the justification of the tax at that date, was that it—the for-hire carriers—should be required to pay compensation for highway use

There were recommendations before the Legislature during the early thirties to impose mileage taxes The Legislature chose to continue the gross receipts tax rather than to impose mileage taxes We consider this tax to be a highway user tax even though it now goes into the General Fund There would be absolutely no justification for the gross receipts tax except for the fact that it is actually a highway user tax The fact that the proceeds from this tax go into the General Fund does not change our conclusion from an economic point of view As a matter of fact, certain states put all user taxes -including gasoline taxes, registration and weight fees and other taxes- - in the General Fund and then make appropriations from that fund for highway purposes It would be ridiculous to say that highway users pay nothing for highway purposes in those states simply because the money goes into the General Fund rather than into some special fund

Now, even with the gross receipts tax credited to highway users, the burden of user taxes in California is lower than that in other states. Most other states at the present time levy some sort of tax—extra weight taxes, mileage taxes, or gross receipts—against for-hire carriers

On page 41 of the Tax Analysis we have shown a table which includes all highway user taxes paid by various sizes of trucks throughout the Nation. Considering private carriers which do not pay the gross receipts tax, in the average state, the taxes were $267 per truck. Taxes in the highest state were $599. Taxes in California were $154 California ranks 43d among the 48 states For a large combination truck and trailer, the average of all user taxes was $561 Taxes in the highest state are $946 The taxes in California are $307 California ranks 45th among the 48 states For the largest for-hire truck, all user taxes, including any special motor vehicle taxes on a for-hire carrier, in the average state the tax was $575. Taxes in the highest state are $1 624 Taxes in California are $474, including the 3 percent gross receipts tax

For the largest for-hire combination shown in the table, truck and trailer, or combination, that is, in the average state all user taxes amounted to $927 In the highest state they were $1,995. The tax in California is $899. For these two last examples, California ranks 28th and 22d respectively, when the gross receipts tax is included; but if the gross receipts tax were repealed, California would be at the bottom or very nearly at the bottom among the 48 states

The question has frequently been asked if trucks are paying their fair share under the present tax system in California When this question has been asked of representatives of the trucking industry, they have replied, "Certainly," and they point with satisfaction to a study made by the Federal Coordinator of Transportation, the late Hon Joseph B Eastman. We would like to point out that Mr Eastman's study covered 1932. We should like to point out further that subsequent studies have been made which reached quite different conclusions and that these—I referred in one instance to the studies made by the Board of Investigation and Research, and established under the Transportation Act of 1940—these studies have been ignored by representatives of the trucking industry Moreover, representatives of the trucking industry have never mentioned the fact that Mr. Eastman's study was on a national average basis. If one carefully examines the Eastman studies and the source

material which he used, it must be concluded that the Eastman study used by the trucking industry in support of its position that trucks are paying their fair share, actually shows just the opposite. You get the opposite conclusion that trucks in California are not paying their fair share I'd like to quote just two examples from the Eastman study:

First: private trucks over five tons were assigned highway costs of $316 in the Eastman studies, and the national average payment which Eastman found was $358, indicating an overpayment of $42 on a national average basis. But payments in California were only $146, as compared to the national average of $358. Comparing this $146 payment in California with a cost assignment of $316 shows an underpayment of $170.

Secondly: Costs assigned to for-hire trucks of over five tons in the Eastman study were $499. The national average tax payment was $594, so there was an overpayment of $95. In comparison, however, with the national average of $594, it is considerably greater than the payment in California. California trucks paid only $408, including the gross receipts tax. In short, California trucks were paying $91 less than their fair share, if we depend on the Eastman study, which the trucking interests say proves that California trucks pay their way.

In developing a balanced and equitable highway user tax system the most difficult problem is that of truck taxation. All states have found it necessary to supplement gasoline taxes in order to recover adequate payments for highway use from large vehicles.

There are two basic problems involved in determining a reasonable tax basis for large commercial vehicles. In the first place, it is necessary to assign to various kinds of vehicles and to individual vehicles within each class, then it is necessary to find a tax system that will require payments from vehicles somewhere nearly close to the cost that you assign to the vehicle.

With regard to the first problem, a number of principles have evolved over the years which have guided legislators in establishing a fair system of user taxation. In the early 1920's, when highways were lightly constructed, damage caused by heavy vehicles was apparent and was considered ample reason to charge such vehicles with additional taxes. The trucks were pounding the pavements to pieces. In the reports made by the automobile clubs and by state agencies in 1923, we find repeated reference to damage caused, with regard not only to state highways, but also to county roads and bridges. There is still a problem in these instances. As highway engineering and construction improved, the most important highways of our State were constructed to carry all types of mixed traffic. Therefore, the heavy vehicles did not actually cause damage to these well-constructed highways. A new principle was introduced as a basis for taxation; namely, that heavy vehicles should pay for added costs caused in construction of better highways. This added cost theory has been used in a number of studies in various states and was used by Mr. Eastman in his studies, which we referred to above.

We recognize that under certain circumstances there are added costs. We recognize that for county roads where lightly constructed secondary highway is damaged, it may be caused to the highway, from the engineering point of view. No precise formula has been developed to fix a system of taxes, and so a number of economists and a number of Legislature committees, and others, in other states, have accepted the relative use theory

to assign cost among the various classes of vehicles, and this was also used by the Board of Investigation and Research which was established by the Congress under the Transportation Act of 1940.

This principle may be stated quite simply. Each vehicle should be required to pay taxes according to how much the vehicle uses the highway and the most satisfactory measure of highway use is the ton-mile which reflects both the weight of the vehicle on the road and the distance which it travels. This means that a vehicle which weighs 40,000 pounds should pay 10 times as much per mile as a vehicle which weighs only 4,000 pounds, and the same vehicle which travels 10 times as far as another vehicle of the same weight should be 10 times as much. It is a simple concept, and it has been accepted by many people as the only reasonable basis for the assignment of the highway user's share of the cost as divided among the various classes of highway users.

After you have decided how you are going to assign this cost, you will have the problem of what sort of a tax system can be developed to recover taxes commensurate with that cost assignment. On the principle that we have used, the tax is supposed to measure highway use.

The gasoline tax, as I pointed out earlier, is basically a tax for the measure of highway use, since there are vehicles of different sizes traveling our highways, the gasoline tax by itself is deficient. The gasoline consumption does not increase proportionately to the increases in weight of vehicles. In other words, the passenger car pays substantially more per unit of highway use than does a larger vehicle. I have some statements taken from the various reports which I shall skip over.

I would like to say in this regard all authorities on this subject, anyone who has made a study, agree with that particular point.

CHAIRMAN HOLLIBAUGH: Pardon me, may I break in here? We had better take a recess for 10 minutes to give our reporter a rest.

(Thereupon a 10 minute recess was taken.)

CHAIRMAN HOLLIBAUGH: Meeting will come to order Mr. Zettel, you may continue.

MR. ZETTEL: Before the recess I was talking about the problem of devising a system of taxation which would accord with the principles that were used in assigning cost to the various groups of highway users. I pointed out that the gasoline tax is the most important highway user tax. That it is designed to measure highway use, in that regard it is a mileage tax, however, for convenience it is collected on a gallonage basis. I also pointed out that the gasoline tax is deficient because of the fact that gasoline consumption does not increase as the weight of vehicles increases, and therefore, a gasoline tax only the small vehicles necessarily subsidizes larger vehicles operations.

We analyzed consumption data and found that the data showed that passenger cars were paying substantially more per ton-mile than were trucks, and it is for this reason that all states have found it necessary to have some taxes in addition to fuel taxes, in order to charge heavier vehicles a fair share of the highway cost.

As we explained previously, California imposes unladen weight taxes and a gross receipts tax We wanted to devise a tax system which would spread the cost fairly, and the only reasonable basis that we could find was the mileage tax system. We decided that it would be desirable to eliminate the gross receipts tax if we had mileage taxes. The trucking

industry has long contended that the gross receipts tax is discriminatory. If one considers the for-hire carriers as a group, we do not believe that the tax is discriminatory, because for-hire vehicles on the average travel many more miles per year than do private vehicles, and have higher load factors. Therefore, a tax on their gross receipts exacts a payment for this additional use of the highways.

To illustrate this point, we estimated the ton-miles of operation were 18½ percent of the total. Under the principle we used, these trucks should pay 18½ percent of the total users taxes imposed, not including a stand-by charge. Under the present tax system, including the 3 percent gross receipts tax, for-hire carriers pay 16 6 percent of the total. In other words, with the gross receipts tax they pay very close to the cost assignment. That would be made on the principle we used, but without the gross receipts tax, for-hire carriers would pay 9½ percent of the total tax, as compared with their cost assignment of 18½ percent. Therefore, in the absence of the gross receipts tax, there should be some other method, but there is considerable merit in retaining the gross receipts tax, because it does measure highway user's taxes more adequately than would weight taxes, but we recognized that under certain circumstances, the gross receipts tax is discriminatory because there are some private trucks which travel as far as the for-hire trucks, and there is no reason for the private truck in that case to pay less than the for-hire truck With this thought in mind we devised the mileage tax system, which is recommended in the Lindman Report, and which is embodied in the Senate Bill No. 5

We have been asked why we did not recommend weight taxes for all trucks rather than mileage taxes. I have already pointed out that one consideration was the fact that for-hire vehicles make much more extensive use of the highways than do the private vehicles. In addition, we decided that a fair mileage tax system could be devised only by multiplying average mileages by the tax deficiency per mile for each class of trucks. That would mean one-half would pay too much, and the other half would pay too little, and there are a great many dispersions in mileage.

We did not feel that it was fair and equitable to charge a vehicle which traveled 10,000 miles a year the same tax that was paid by a vehicle that traveled 100,000 miles a year, and there are many instances of dispersions of that nature. The dispersions are great, and therefore, any weight tax system by itself, it seems to us, would work a hardship on certain vehicles, the low mileage vehicles, while it would be of considerable advantage to those vehicles which traveled over the road 50, 60, or 100,000 miles a year.

It did not seem equitable to us to ignore the fact that in every size group there are tremendous differences in the mileages of the vehicles in any annual period. It did not seem fair to charge a farm truck traveling only a few thousand miles a year the same tax that would be applied to a for-hire truck traveling 100,000 miles a year. On the other hand, it did not seem fair to us to tax a for-hire truck which might travel only 20,000 miles a year a same tax which was applied to a private truck which was traveling possibly seventy or eighty thousand miles a year, and there are cases of that nature.

In the principle we used, the mileage tax should apply to all vehicles, and as a matter of fact, Oregon is now proposing a mileage tax in the

State of Oregon, which applies to all vehicles over 4,000 pounds gross weight. The rates imposed in Oregon are designed to include the fuel tax, and are allowed to be a credit against the mileage tax, but it did not seem feasible to us to impose the mileage taxes to smaller vehicles. Their mileages are very small, and the rates would be small, consequently there would be a difficult administrative problem involved, without a great tax liability on the part of the vehicle. We therefore felt that the mileage tax should apply only to the larger vehicles.

For the larger vehicles we devised a mileage tax schedule which will supplement the gasoline and diesel taxes in such a manner that all vehicles would pay approximately the same amount per ton-mile. In devising this schedule it was necessary to use average gross weights in determining the tax rate in the first instance, and then to apply that rate to the gross weight bracket in which the truck would probably be registered. We recognize of course that there are some inequities in using average gross weight. We do not think we can avoid that inequity and still stay within the bounds of a tax which could be administered. When you have a simple annual weight tax, you cannot take into consideration differences in load factors. Whether you use a gross weight system, or an unladen weight system, you still cannot take that into consideration, and consequently, we recognize that it was necessary to base the system on average gross weight.

There are two factors involved in a tax, one, the annual mileage, and the other is the weight. We had to use average weights, and by using the mileage tax system, we would actually get the differential in that regard.

We recognize, of course, that a system of mileage taxes is much more complicated than is a system of annual weight taxes; however, we went into the question of administration. We asked the Board of Equalization to make surveys, and to report to us as to their opinion regarding the feasibility of administering a mileage tax efficiently and cheaply. They advised us by letter that in their opinion, the tax could be administered, and that the cost would be less than 5 percent of the revenue, and in their opinion, it would not be any more difficult to administer from their point of view than the present gross receipts tax, which they have been administering since 1923.

It is true, of course, that the tax system imposes a considerably heavier burden on trucks and busses than has been imposed in the past. We have already pointed out how low California's taxes are as compared with those in other states. It is interesting to observe that our neighboring states tax vehicles much more heavily than we do and that many of our trucks travel in Oregon, Arizona, and Nevada, as well as in California, and pay considerably more for the use of the highways in those states than they pay in California. With regard to the burden, we have estimated that the average 26,000 pound private vehicle will pay $140 in mileage taxes. In the 20 states that use gross weight as their tax measure, the average was $163, and 10 of these 20 states imposed taxes of $200 or more. Other states use mileage taxes, it is not something entirely new. Florida is one of the states that uses mileage taxes. In Florida, for-hire vehicles pay a regular net weight tax of $1.75 per 100 pounds, and a gasoline tax of 7 cents per gallon, and in addition, for-hire vehicles in Florida of three tons or more capacity pay 1½ cents per mile, in addition to the other taxes they pay. Fifteen mills per mile on a truck of

three tons or more is considerably heavier than the taxes proposed for California

In New Mexico, for-hire vehicles of five-tons capacity or more pay 15 mills per mile in addition to weight taxes and the gasoline tax Twenty-six thousand pound vehicles in Kansas pay 19 mills per mile, as compared with the 10.4 mills per mile proposed in California for vehicles of that size.

In Illinois a 26,000 pound vehicle has the choice of paying $245 a year, or 20 mills per mile, as compared with a minimum in California of $104 and a rate of 10.4 mills per mile.

In our neighboring state of Oregon, they presently have an alternative of gross receipts or mileage tax system. This gross receipts tax in Oregon is 6 percent, or if the for-hire carrier chooses to pay a mileage basis rate than on a tax receipts basis, they would pay in Oregon 13 mills per mile, as compared with 10.4 mills per mile for California.

I should like to emphasize in concluding this discussion on truck taxes, that Senate Bill No 5 contemplates the substitution of mileage taxes for the present gross receipts and weight taxes. However, if the mileage tax feature of Senate Bill No. 5 were eliminated, it is our opinion that it would be equitable to retain the gross receipts tax For-hire vehicles use the highways more extensively than private vehicles. Their average is more than twice as great as private vehicles The gross receipts tax bears some relationship to highway use, a better relationship than would a substitute annual tax. Moreover, the gross receipts tax has been in effect for many years. It has been included in determining the rates for for-hire carriers. The trucking industry contemplates with reason that it is necessary to shift highway user taxes to the consumer or producers If this is the case, the Public Utilities Commission must have already included the gross receipts tax in the rate basis established for for-hire carriers

We estimate that the mileage and weight tax system imposed by Senate Bill No 5 will produce approximately $22,500,000 for highway purposes in its first full year of operation That includes the weight tax for vehicles of less than 16,000 pounds, and the mileage tax for heavier vehicles. We did not agree with the estimates made by Mr. Thompson, that the tax would produce considerably more As a matter of fact, in analyzing Mr Thompson's statement to the joint fact-finding committee, I think I understand the reason for that higher estimate. He simply assumes that we made an error in determining the amount of revenue that could be adduced, because he is assuming that we used average gross weights in making our estimate.

I say I think the mileage tax system is the most equitable system that can be devised, both for for-hire carriers and private carriers, because it puts them both on a similar footing. It also measures highway use

Those are the five taxes proposed in Senate Bill No. 5; registration fees, gasoline taxes, diesel taxes, truck taxes, chauffeur and operators' licenses.

I could stop now for questioning, or I could go on into some of the revenues—

ASSEMBLYMAN THOMAS: Mr. Chairman, may I question Mr. Zettel?

CHAIRMAN HOLLIBAUGH: Assemblyman Thomas.

ASSEMBLYMAN THOMAS: In considering the tax structure on all vehicles using the state highways, the joint committee took under consideration the 52 agencies which are created under law as self-supporting funds? They do not pay in any registration fees. Also banks and insurance companies do not pay registration fees Throughout all of your argument I don't seem to find any evidence where you made any surveys or mention of those groups.

MR. ZETTEL: Well, Mr. Thomas, there is nothing in Senate Bill No 5 that changes the exemption with regard to those vehicles.

ASSEMBLYMAN THOMAS: Why wasn't that factor considered?

MR. ZETTEL: That fact was considered and there was a bill introduced and it is before the Senate Transportation Committee, and there was also one introduced in the Assembly by Mr. Burns.

ASSEMBLYMAN THOMAS: I am not arguing that fact. Over $250,000 a year can be brought in annually to the fund in considering all of these exempt 52 agencies, plus the fact that all the banks and insurance companies—that naturally has to be done by constitutional amendment, but I don't see anywhere that feature was considered.

MR. ZETTEL: The exemption feature was considered briefly

ASSEMBLYMAN THOMAS What is the feature—all of these agencies wish taxes? In proprietary capacities and municipalities you are talking about?

MR. ZETTEL: If you are referring to—if you are referring to the Tax Analysis, we considered it briefly, we said there is no reason in our opinion why these agencies should not be required to pay the regular user's taxes.

ASSEMBLYMAN THOMAS: Don't you feel that everyone using the highways should contribute to this vast sum of money we are going to tax the people?

MR. ZETTEL: I agree.

ASSEMBLYMAN THOMAS: In other words, you agree that those agencies should pay a registration fee?

MR. ZETTEL: I do

ASSEMBLYMAN THOMAS: Why wasn't that mentioned specifically in the report?

MR. ZETTEL: Which report are you referring to?

ASSEMBLYMAN THOMAS: Well, I am talking about that fact-finding report. I don't seem to find it, unless you can direct me to the page. I don't—

MR. ZETTEL:—I don't remember the exact page, sir

ASSEMBLYMAN THOMAS: The point I am trying to bring out is: You come here with a program—an over-all program—based on the theory that all of those using the highways should pay for this construction of all these new highways and the maintenance and everything, and you have left out. No 1, all of those governmental agencies, and those in a proprietary capacity; No 2, you haven't mentioned the banks and insurance companies and, No 3, you haven't mentioned the 52 self-supporting funds. Now, those self-supporting funds are no burden on the General Fund of the State. They are no expense to the taxpayers of the State In general I am speaking of all these self-supporting agencies like the Fish and Game Fund, cosmetology, the barber, and all these other agencies.

MR. FRANCIS J CARR (Executive Secretary of the Collier Committee): You have asked the question as to why that wasn't covered in the

report to the Legislature, dated January 13, 1947. The committee had a meeting at which it was determined that the report to the Special Session should only include the matters that they thought at the time to be included in the Governor's call. If you are referring to the resolution creating the committee and the resolution extending the life of this committee, the committee still has a final report to the Legislature to make. In the first draft of the Committee's Report, all of those items were included. The committee has left out some recommendations that were consistent with those reports and those recommendations have been, on instructions of the members of the committee, put aside for a later report. Now, the bills that cover those matters, as you will remember, were introduced in the Special Session.

ASSEMBLYMAN THOMAS: Why weren't they introduced in the Senate Bill No. 5? That is the point I am trying to bring out. Why didn't you incorporate all those features in the Senate Bill No. 5? Why did you handle them through as separate legislation? Was it, in fact, to get more revenue?

MR. CARR: If you will remember, Mr. Thomas, all of the bills were separate bills at the time they were submitted by Senator Collier, and the other authors, to the Senate, and also, when they were introduced in the Assembly. The Senate Transportation Committee held hearings on all of those bills and it was the Senate Transportation Committee that finally decided on what matters would go into Senate Bill No. 5, and Senate Bill No. 5 was sent to the Senate, and the Senate was the one who discussed Senate Bill No. 5, and the Senate sent it to the Assembly. You were asking us why those matters weren't introduced in the committee reports, and executive sessions of the committees and I am explaining how those recommendations happened to be dropped.

ASSEMBLYMAN THOMAS: Do you think that these fifty or so self-supporting agencies should pay registration fees to bring in that $180,000 annually to the fund?

MR. CARR: I certainly do.

ASSEMBLYMAN THOMAS: In other words, you gave that opinion to the Legislature?

MR. CARR: I don't think it would make any difference what I—

ASSEMBLYMAN THOMAS:—I mean, Senator Collier's committee favors such a system?

SENATOR COLLIER: I might say that if you look at page 23 of the bill, under Section 9606, that for one feature, you can very easily make all of that a subdivision of it.

ASSEMBLYMAN THOMAS: What page?

SENATOR COLLIER: Page 23, and that gets into truck taxes—9606. You can very easily by amendment require the various levels of government, including the State, county, and city municipalities, divisions, or other political subdivisions thereof, or districts, to come under this bill, and thereby causing them to be registered. That is one thing that you can do.

ASSEMBLYMAN THOMAS: Now, this committee—this bill before us now is not the committee's bill? This is the bill from the Senate, as you know. The bill is not now in the same form as it came even from the Transportation Committee, nor the same form that the author introduced it? Personally I think that it is good accounting for all levels of

government and all subdivisions and all bureaus of government to pay the other subdivisions their just cost in the way of taxes and other things, in order that the people may get a true accounting of what a bureau or level of government costs to operate For instance, we are talking about these self-supporting funds—the Fish and Game They run on exempt plates. That isn't giving the true cost of operation of the Fish and Game Commission, by allowing them to be exempt from plates. They should pay for those plates. They should pay for gasoline taxes, then those who pay into the Fish and Game Fund would then know the true cost of what the operation of that division is

I am against any level of government taking a free ride on the other levels of government You can take, for instance the Division of Highways. They go into the counties, say, Trinity, with maybe three or four dozen trucks, and the county is required to record a lot of stuff for them—the recorder—and when they come in there with condemnations, and things of that sort, and they ask the clerk to file them with no fee. There is no reason why the State of California should take a free ride on the counties, even on Trinity County If you are going to have true cost accounting, then they should pay for the services they receive

I would like to question Mr Zettel now developing this tax formula, as you call it—you keep referring to this on page 134 of the January report, to show the various costs of taxes on trucks in various states In the State of Mississippi they paid $507, and in California they pay $64 You pointed out the injustices of the present tax placed on trucks. You said that to show that the trucks in California were not paying their just share, is that correct?

MR. ZETTEL: That is correct I don't mean to imply, however, that because they are paying $507 in Mississippi they should pay $507 in California.

ASSEMBLYMAN THOMAS: Why should they pay $507 in Mississippi, and only $64 in California?

MR ZETTEL: Apparently the Legislature of Mississippi thinks that $507 is the tax that should be imposed

ASSEMBLYMAN THOMAS: But you notice in all of these states that the tax is graduated tax, and considered as to tonnage?

MR. ZETTEL: That is correct

ASSEMBLYMAN THOMAS: And the proportion increases in other words, the increases in our State are according to the tonnage too? I was just laying a foundation to ask you this one question: Since you have been saying that the trucks haven't been paying their share, why is it that through this present formula that they are only going to pay $19,000,000 into the fund, and the motorist who is the so-called people, in general, will pay $67,000,000? Why didn't you cut the $67,000,000 down and increase the trucks up to about $25,000,000?

MR. ZETTEL: For next year, or for the first full year of operation they will pay $22,500,000

ASSEMBLYMAN THOMAS Do you understand my question?

MR ZETTEL: I understand your question You are asking why we didn't make the burden greater than we did make it

ASSEMBLYMAN THOMAS. Well, you showed in your report the difference in California and Mississippi is over $370 more

MR. ZETTEL: That is correct, but we did not use the practices of other states as a guide to what we should tax them in California. We used those figures merely for illustration to indicate that the burden in California is much less than it is in other states, and that it would probably not be unreasonable to expect trucks in California to pay a substantial amount more than they are paying at the present time. We use a mileage tax system which we feel equitably divides the cost among the various classes of vehicles. You must realize also that trucks and busses will be paying gasoline taxes and diesel taxes at the same time they are paying this $22,500,000.

ASSEMBLYMAN THOMAS: Then all that tax that trucks will eventually pay on the cost of traveling? The point is that you want to make—supposing you had a 1-cent tax, which 1 cent would bring $25,000,000 into the fund, as I understand it.

MR. ZETTEL: Yes, sir.

ASSEMBLYMAN THOMAS: Why couldn't you cut down 1 cent on the gasoline tax and add that $25,000,000 on the trucks? Wouldn't that be a more just and equitable distribution of this tax program?

MR. ZETTEL: I don't believe so, sir.

ASSEMBLYMAN THOMAS: You don't?

MR. ZETTEL: No sir, I think that would be discriminatory.

ASSEMBLYMAN THOMAS: In what way? It is discriminatory that they are paying a hundred and seventy-one thousand—I mean, $173 in the State of North Dakota, and $64 in the State of California?

MR. ZETTEL: Well, perhaps the State of North Dakota is discriminatory against trucks.

ASSEMBLYMAN THOMAS: I know, but you are using this argument. You have been using the argument that in the schedule here to justify the increase of truck taxes, isn't that true?

MR. ZETTEL: We did not set the truck taxes by using this schedule.

ASSEMBLYMAN THOMAS: You have been using the schedule as a basis of argument for increasing your tax rate on trucks.

MR. ZETTEL: Yes, sir.

ASSEMBLYMAN THOMAS: Therefore, if that is true, why didn't you go ahead and use it in the recommendation and to justify the equalization on the trucks—I don't know whether I am making myself clear. I am trying to reason the same way you are trying to reason. You understand what I am—

MR. ZETTEL: —I don't understand your question.

ASSEMBLYMAN THOMAS: You don't?

MR. ZETTEL: I don't think I do.

ASSEMBLYMAN THOMAS: Well, here—you have been using the schedule on page 134, showing the tax on trucks in other states, and showing it in comparison with the truck taxes in California.

MR. ZETTEL: That is correct

ASSEMBLYMAN THOMAS: All right. You have made the statement that all of the other states have a higher tax on trucks than California.

MR. ZETTEL: That is correct.

ASSEMBLYMAN THOMAS: You have pointed out the figures—showing the amounts.

MR. ZETTEL: Yes, sir.

ASSEMBLYMAN THOMAS: Then you have come here and given us an over-all picture that these trucks are only going to pay a small proportion of the $2,280,000,000.

MR. ZETTEL: They will be paying the substantially larger proportion than they are paying at the present time. On the principles that we use—if I may interrupt—on the principles that we use, they would be paying what we consider to be a fair share.

ASSEMBLYMAN THOMAS: That is, a percentage of increase—

MR. ZETTEL: —in the Senate Bill No. 5.

ASSEMBLYMAN THOMAS: —over the present taxes paid by the trucks. Is it 100 percent increase, 75, or what?

MR. ZETTEL: Between 60 and 70 I think. It is about exactly two-thirds.

ASSEMBLYMAN THOMAS: Have they been paying their fair share in the past years?

MR. ZETTEL: We do not think so.

ASSEMBLYMAN THOMAS: Doesn't that justify a larger consideration for the trucks now?

MR. ZETTEL: That I think would be a matter for the Legislature to decide.

ASSEMBLYMAN THOMAS: I am asking you because the burden of paying this tax is falling on the motorist.

MR. ZETTEL: That is correct.

ASSEMBLYMAN THOMAS: He has to pay a $6 registration fee, which is double, and he pays his license fee, and driver's license fee, and he pays his increase of gasoline taxes, so I am trying to get some argument out of you to justify that terrific increase on the motorist.

CHAIRMAN HOLLIBAUGH: He won't argue with you, Mr Thomas.

ASSEMBLYMAN THOMAS: I don't want an argument I want the answer.

CHAIRMAN HOLLIBAUGH: That is what you said.

MR. ZETTEL: I think I can answer partly the question—we tried to devise a system that would get as much revenue as was believed to be necessary to finance the highway program and to spread that burden among the various users in an equitable fashion with regard to future tax payments. We didn't go into the past and try to make up for the fact that they may not have been paying their fair share in the past.

ASSEMBLYMAN THOMAS: Would a 1 percent tax on gasoline be sufficient to carry out the program as outlined in the Senate Bill No. 5?

MR. ZETTEL No, not if we take into consideration the estimates of the Division of Highways as to the deficiencies, and, or, take into consideration the Kennedy Report and the various other estimates of need of the State, including the needs of cities and counties.

ASSEMBLYMAN THOMAS: Will 1 cent increase of gasoline taxes take care of the state highway program, eliminating the construction of new highways?

MR. ZETTEL: If I understand your question, do you mean the 67.4 miles of new highways?

ASSEMBLYMAN THOMAS: Are those highways under construction right now, or any part of them? Aren't they part of the State Highway System? I mean, are they under construction?

MR. ZETTEL: I don't know. I should say merely that I am not qualified to testify in regard to the deficiency program of the Division of Highways.

ASSEMBLYMAN THOMAS: Could you give me a direct answer? Assuming that we increase the gasoline taxes 1 cent above the present taxes; would that be sufficient to take care of the critical deficient highways, eliminating any new construction?

MR. ZETTEL: That answer is no, because the original defiiciency program of the Division of Highways, not including the new highways, that is not including the 67.4 miles, amounted to $1,458,000,000 If you are going to complete that program in a specified period of time, say, in 10 years, then 1 cent would not be adequate to finance that program

CHAIRMAN HOLLIBAUGH: Mr Stewart, I think, is next

ASSEMBLYMAN STEWART: Mr. Chairman, I have many reasons to appreciate your kindness. In this instance you are superlative.

CHAIRMAN HOLLIBAUGH. You are the first one that has said that today.

ASSEMBLYMAN STEWART: Did I understand you to say that you provided enough revenue to finish the highway plan? That was your job?

MR. ZETTEL Our job was to devise a fair system of taxation We proposed in the Lindman Report a system of taxation which we felt would finish the program set forth in the Kennedy Engineering Report to the committee. Since the Kennedy Engineering Report to the committee was completed, the Division of Highways has made further studies of the deficiencies and reported to the Senate Transportation Committee a deficiency which is substantially above that recommended in the Kennedy Report.

ASSEMBLYMAN STEWART: I am just trying to get—I understood you to say in answer to Mr. Thomas that you have provided enough revenue to finish this plan. Now, you took the Kennedy Report, the Lindman Report, and assumed that was going to be the highway plan, or conferred with the Department of Public Works and decided that was what they wanted to build, and as an expert you went out and found ways and means to get the revenue to do that Is that the way you proceeded?

MR. ZETTEL: That is correct.

ASSEMBLYMAN STEWART: I was listening with interest to your discussion on the ton-mile measure of taxation of the trucks.

By the way, I understand that the State of Oregon has a ton-mile tax. Is this proposal before us today in any way similar? Does it embody the Oregon plan, or does it just resemble it?

MR. ZETTEL: It resembles the Oregon plan in certain respects; however, the Oregon plan at the present time does not apply to carriers—all carriers. It applies to certain private carriers and certain for-hire carriers They have an alternative system whereby for-hire carriers are permitted to pay a 6 percent gross receipts tax in lieu of the mileage tax

ASSEMBLYMAN STEWART Right at that point, you consider the present yardstick or measure for collecting ton-mile taxes as proposed in

Senate Bill No 5, the most equitable form of taxation for trucks? That is your studied opinion?

MR ZETTEL. That is correct That is the most equitable form that can be devised within the limits of legislative expediency

ASSEMBLYMAN STEWART: And you feel the difficulties in collecting it would not be insurmountable, and it would not cost more than—how much did you say?

MR ZETTEL We are advised by the Board of Equalization that it would not cost more than 5 percent In fact, they advise us in California where the coverage would be broad, that it would probably cost less than 5 percent

ASSEMBLYMAN STEWART Have you had any expert testimony before you, or have you undertaken to find out from the practical standpoint what the operator of a small trucking fleet that is used incidental to his business—not used for hire—but this trucking fleet, let us say, used in connection with the operation of the business Did you consult with any other of those people to see how they might be able to comply with the ton-mile taxes that we find in Section 9651 of Senate Bill No. 5?

MR ZETTEL We did not consult with operators, however, I would like to point out that Senate Bill No 5 eliminates a large percentage of smaller trucks

ASSEMBLYMAN STEWART. Yes, I am familiar with that, but I am trying to find out or develop here, which is very important to me to know, I do not know whether you know how large California is or not, but this bill proposed to tax users of trucks which were used incidental to the conduct of a business, which are operated in connection with delivery of merchandise or goods and things like that, the various units.

Take a ready mix concrete man who has a fleet of trucks. He loads up with aggregates and starts out to deliver it. Don't you think it would be advisable—don't you think we should allow for some of these people that are engaged in this manner to find out from him how we might approach this problem, or do you just decide here a good way to do it and he will have to take it?

MR ZETTEL: We recommended—

ASSEMBLYMAN STEWART: But it doesn't answer it

SENATOR COLLIER Mr Stewart, you have asked probably two, three, or four questions, all together I think we better start unraveling them and take them one at a time Mr Dixwell Pierce is here, if you are interested in administration Then to start getting to that point, which I suppose we might term b, c, and d

ASSEMBLYMAN STEWART I stand corrected and I will take this man on to finish out He arrives at a deduction as to how he got at it in Senate Bill No 5

SENATOR COLLIER: We have advisory members to the Collier committee, represented in Mr Sherer, Mr Spaenhower, Mr. Anthony, and Mr Anderson, who represent those industries, and were there to give the committee their advice We felt they were representing those people that they were competent to tell us Then, also, as you heard from Mr. Zettel, that Mr Sherer brought Mr Anthony here and Mr. Anthony, who was their great expert, testified. We went to great length to get from those people all of this information.

ASSEMBLYMAN STEWART: I appreciate it, sir

SENATOR COLLIER: Thank you.

ASSEMBLYMAN STEWART: Now that, you understand, this burden —I will ask you a question, Senator.

SENATOR COLLIER: Here.

ASSEMBLYMAN STEWART: I have in front of me, also from men in my district that are engaged in a specific business operating large fleets of trucks incidental to their business, and they were quite concerned, and they are responsible men in the civic life of the county, and at no time were any of these men asked to appear before your committee, or advised that such a tax was going to be imposed, as proposed in Senate Bill No. 5, and now we are here as their representatives, and they write us now—what they give us—you have it—as to why do we have such legislation? We can't operate our business. We don't have the bookkeeping department facilities. All I am trying to do, Senator, is to find out what facilities are offered or advantages—requests are made of the people who are going to have to pay this tax, you know that these people are far more—I know that Mr. Anderson is an expert on the business, but these—

SENATOR COLLIER: As to the forgotten men, we obtained a list in one instance, trying to cover the field. When we printed the vehicle mile tax they didn't object. Rather, we printed a large number of this portion of the bill. We offered them to the trucking industry to pass out to their membership, for their membership, and those individuals would get a copy of it and get some understanding These were refused, but out of the graciousness of one member of the commercial for-hire, they took our envelopes down and ran them through our—and ran them through their addressograph, and stuffed the envelopes, and sent them out to those individuals, and hoping that we would get word back from the individuals, and get his personal opinion. Mr. Stewart, we invited discussion from everyone, as you know, we held 64 meetings, and we would have been delighted to hear the citizens, and we did—those who were interested in good roads, and the forms of taxation.

ASSEMBLYMAN STEWART: I know you did that, but Section 9651 was in at that time and nobody knew anything about it, and consequently you couldn't have told them what you were going to do.

SENATOR COLLIER: Mr. Stewart, first, this volume here is a consolidation of three works. (Exhibits.)

ASSEMBLYMAN STEWART: Yes.

SENATOR COLLIER: This analysis of taxation for highway purposes, which Mr. Zettel wrote was printed—actually completed and ready for public use and dispersed to all Members of the Legislature, members of the Advisory Council, and committees, and all those that we had knowledge of as of October 1, 1946, 60 days prior to the convening of this Legislature, with the hope that they would look into it and get an understanding of what we were proposing Now, to further enlarge upon the answer.

At the request of the trucking industry, who were the first of those who were concerned about this problem, when I first started the study I waited upon—waited upon me and asked me if I would do two things, first, would I try to eliminate the 3 percent gross receipts tax, would I try to put all trucks on an equal basis and footing, and then I agreed, and this is perhaps the only instruction that I gave the staff, that it was

to try to find some type of truck taxation that would accomplish those two purposes and yet bring to the Highway Users' Fund the amount of money that the committee would decide would be their portion of the total bill and this is how this type of taxation was devised.

Now, we would welcome any time any of your friends to comment or discuss with us and we are anxious, and I, as author of the bill, am very anxious to see the trucking industry that has promised us time and time again that they would come in with some answer or some way that they would be willing to pay the millions of dollars more into the fund for highway uses, and I think, as author, and I know my colleagues on the joint committee, and in the Senate Transportation Committee, would welcome their suggestions of what was equitable because those men have spent their lives in that field and the only thing we have ever gotten out of them was that they thought the 3 percent gross should be discarded, that the weight fees should be discarded, that they should go only to fuel taxes, and that is the only kind of taxes they should have.

ASSEMBLYMAN STEWART: Senator, I am not here appearing or representing the for-hire trucks. I am only here appearing in behalf of the citizens of my district, whose letters I have that tell me what this ton-mile will do to my business and how impossible it would be without increasing their staff materially for accounting for them to pay, to determine when they have paid their taxes. There is no disposition on my part to criticize you, in all fairness in which you did this work, but I assure you that when responsible men who are just engaged in the business in a community—maybe they don't belong. They—I don't know why they should belong to these organizations but here they find themselves at once confronted with a scheme of taxes on their business and property, when they just feel it is impossible to please—don't misunderstand me. I have tremendous respect for the work that you and your committee have done, but I have been nettled a little today by my constituents, and I propose to find out a few things if I can.

SENATOR COLLIER: In answer to that, Mr. Stewart, I have great sympathy for you, and also those constituents of yours that have been nettled, and I too would like to help them out, and I do hope that they have made some suggestions to you.

ASSEMBLYMAN STEWART: We have some.

SENATOR COLLIER: How to accomplish that purpose?

ASSEMBLYMAN STEWART: We have some and we will try to get them in the bill before it gets down on the floor.

SENATOR COLLIER: I want to assure you that I am not entirely unsympathetic.

ASSEMBLYMAN STEWART: Now, I want to ask the expert a few more questions about the ton-miles.

(Mr. Zettel resumes the microphone.)

Is it your opinion that the Oregon truck tax is a fair proposal—fairer than the one we have before us today—is the existing Oregon tax fair?

MR. ZETTEL: I don't know whether it is a catch question or not. It has been put up to me just today. With regard to present taxes in Oregon, I don't feel that it is a fair system. I think that it would be more desirable to put both the for-hire carriers and the private carriers on the same basis, rather than an alternative gross receipts tax and a mileage tax.

ASSEMBLYMAN STEWART: I understand, that the people I am talking about do not pay a gross receipts tax, because the trucks run in the operation of their business, but your knowledge of the various laws in other states, is the farmer given more relief in other states than you are giving him in this?

MR. ZETTEL: That is generally true, where they have mileage taxes, in the State of Oregon, to which you referred, farmers are specifically exempt from the mileage tax.

ASSEMBLYMAN STEWART: Then your study of the various taxes on trucks, generally, of course, unfortunately we get the for-hire truck running right up with trucks used incidentally in the operation of the business. You feel that the only solution you can come to, whether private or for-hire, or for their own business, this ton-mile is the answer to the problem?

MR. ZETTEL: I feel that it is the fairest system, yes.

ASSEMBLYMAN STEWART: Now, then, this question. Do you base your experiences as the measure that you used—I think my constituents load up their 20 trucks in the morning, and he is not equipped to tell how many miles his driver travels. Do you feel that it is perfectly all right to impose upon a business of that size an audit system, plus the state staff necessary to check up on him, so that he may be able to pay the proper tax, and then the collecting agency will be able to determine whether it is correct or not, with other records than his statements? You think that is a fair measure to determine what amount of revenue will be raised? Now, you have in the sales tax, we'll say, a certain percent; you say here it is so many miles? On what miles? Tons carried?

MR. ZETTEL: On miles traveled only and declared weight with regard to each vehicle.

ASSEMBLYMAN STEWART: Well, yes, you think that is an equitable and fair measure you are committing and a fair measure to collect the taxes?

MR. ZETTEL: I think it is a fair measure. I think you have two questions there; one, is the tax system fair; the other question, is the extra burden too heavy for the carriers? With regard to the administration, as I say, we have had the Board of Equalization look into the administration.

ASSEMBLYMAN STEWART: From a state angle? They didn't look into it from the angle of this little man?

MR. ZETTEL: I realize that every tax as imposed induces a problem for the taxpayer to comply with.

ASSEMBLYMAN STEWART: I thank you very much.

CHAIRMAN HOLLIBAUGH: Mr. Robertson.

ASSEMBLYMAN ROBERTSON: Mr. Chairman, in the questions to this witness; I haven't been here all the time. Is there any limit to the field in which we may ask questions?

CHAIRMAN HOLLIBAUGH: Not so long as it is pertinent to the highway problem.

ASSEMBLYMAN ROBERTSON: What I am interested in and what I would like to be informed about, and I am very sincere in this, did you carefully examine the—did you carefully examine the—

CHAIRMAN HOLLIBAUGH: Take the microphone there, Mr. Robertson.

ASSEMBLYMAN ROBERTSON No, I don't want it—did you carefully examine the two reports handed in by the Highway Commission, or the State Board? One is of October 28, 1945, and one is of January, 1947.

MR. ZETTEL: I have seen those two reports.

ASSEMBLYMAN ROBERTSON: Have you carefully compared them?

MR. ZETTEL: No sir. I am not competent to testify on the engineering needs.

ASSEMBLYMAN ROBERTSON: In other words, in forming this program, you have just taken the final word—the final word of the State Department, is that right—that we need "X" million cash, and so you take "X" million dollars and make revenue for it?

MR. ZETTEL: It hasn't been my responsibility to pass upon the engineering needs. We have simply proposed a tax system which will raise, as you say, "X" million dollars.

ASSEMBLYMAN ROBERTSON: Well, now, what appeals to me is the great discrepancy in these reports. Now, what have you done then? Taken a report of the commission which fixed the entire cost of the highway program as of this date and projected it over 10 years, is that correct?

MR ZETTEL No sir, that is not correct.

ASSEMBLYMAN ROBERTSON: Then you explain what you have done.

MR. ZETTEL. I will explain what we did. We did not use the original critical deficiency program of the Division of Highways, except insofar as it was included in the Kennedy Engineering Report. The work of the staff of the Joint Fact-Finding Committee was divided into three parts: First, we made a historical analysis of taxation in California; second, we had a group of engineers headed by Mr. G. Donald Kennedy, who made a survey of the State and county and city roads of the State—

ASSEMBLYMAN ROBERTSON: May I interrupt just a moment here to get a few facts on this Kennedy Report? What is the amount recommended in that, if you can remember off-hand?

MR. ZETTEL: I believe the amount for the State was $1,200,000,000.

ASSEMBLYMAN ROBERTSON: One billion two hundred million, now, that is after you put an additional amount in, was it not?

MR. ZETTEL: There were a number of adjustments proposed in the Kennedy Report. For example, one of the adjustments that the Kennedy Report recommended was to transfer county roads—transfer state highways back to the counties. Another was to transfer certain city streets to the State Highway System.

ASSEMBLYMAN ROBERTSON: Now, as I understand as to the Kennedy Report, no, I am probably wrong—I thought that followed very closely the report of October 28, 1945 of the Highway Commission, did it not?

MR. ZETTEL: It included the critical deficiency report of the Highway Commission, included what Kennedy recommended as necessary improvements in projecting into the future. The critical deficiency program of the Highway Commission, as I understand it, was based upon 1941 traffic conditions and at 1941 costs.

ASSEMBLYMAN ROBERTSON: Now, of course, that is not true—definitely untrue, and you have probably been wrong because in appearing before this committee, the Highway Department definitely testified that report of October 28, 1945 had been brought down to date as was requested by Mr. Collier of the Collier committee, and when they get up

here as they have, that it is a forty-one report, why that is not true, is it? Is that what you consider to be true? Mr. Collier, did he not, wrote a letter requesting that it be brought down to date?

SENATOR COLLIER: What letter? I want to explain first that this witness is here to explain the taxation features, and you have gone to the engineering features. Now, in the first place, the Kennedy Engineering Report—

ASSEMBLYMAN ROBERTSON: —Well, I will ask you.

SENATOR COLLIER: All right. The Kennedy Report is one report, the critical deficiency report of the Division of Highways is another. The Division of Highways amended that report and finally at my request, took a 10 months' period and went out in the field, and so it was based on 1946 facts and 1946 traffic counts.

ASSEMBLYMAN ROBERTSON: And that was filed on October 28, 1945?

SENATOR COLLIER: No, no. The last report was not filed on October 1945.

ASSEMBLYMAN ROBERTSON: No, on October 25, 1945—October 28, 1945—may I get the records to straighten this out?

(Gets documents and examines.)

In other words, quoting from your letter, Mr. Collier—

SENATOR COLLIER: What letter are you speaking about?

ASSEMBLYMAN ROBERTSON: A letter dated September 24, 1945, you requested the commission to bring in the report and I am reading from your letter, "It is requested that this tabulation be revised, if necessary, so as to reflect any changes by reason of increased cost of work to be done," and Mr. Grumm appeared in the Senate and asked for continuance. He again appeared the first of October and asked for continuance, and then on October 28, 1945, he appeared and said that this was the complete program of the department. Is that not true?

SENATOR COLLIER: Mr. Grumm revised the 1941 traffic study and brought those critical deficiencies that were in that 1941 study, based upon 1941 traffic counts, up to date upon the increases that were due to the increase in costs. He estimated it—

ASSEMBLYMAN ROBERTSON: —Yes, but that report of October 28, 1945, brought the cost of the critical deficiencies program up to October 28, 1945.

SENATOR COLLIER: That is right.

ASSEMBLYMAN ROBERTSON: Recommending expenditures of approximately $635,000,000, plus $55,000,000 more, is that correct?

SENATOR COLLIER: All right, but that is a 1941 traffic count, that is a 1941 critical deficiency, brought up to the 1945 estimated costs.

ASSEMBLYMAN ROBERTSON: Well, of course, that wasn't his testimony.

SENATOR COLLIER: Well, I don't know what his testimony was. Why don't you ask him about his own testimony?

ASSEMBLYMAN ROBERTSON: Well, I have asked him and he has admitted, he indicated—

SENATOR COLLIER: —Well, I am telling you what I understand to be the facts.

ASSEMBLYMAN ROBERTSON: Well, now, what I am trying to get at then, Senator, is that if this was a true report, and I am comparing it

with the one of January 27th, wherein he increased—well, just for fun, I want to bring up again to you what has been presumed and something we have had no explanation from.

For instance, 11 B, that is set forth the same in both reports, 7.6 miles, Sacramento to Mills, four-lane divided; construction, cost, right of way, and total in both reports Now, as of October 29, 1945, we estimate the right of way at $30,000. Now, we all know that in October 28, 1945, real estate costs—right of way—were at the peak of all time. They have been slipping ever since, and yet in January 1947, he estimated that at $215,000, which is just 750 percent more.

SENATOR COLLIER: All right, now, Mr Robertson, getting back to October, 1945. We took the 1941 traffic count, 1941 estimates on specific projects, and they brought it up to their current estimate of what those jobs would be, that is their figures, and as you know, there is a subsequent report that was more thoroughly done—done in the field, took some 10 months to do it—

ASSEMBLYMAN ROBERTSON: Well, do you think, Mr.—

SENATOR COLLIER: —and that was the complete report in January of this year.

ASSEMBLYMAN ROBERTSON: Do you think, Mr. Collier, that any cost has increased so that a right of way costs 750 percent more in a little over a year?

SENATOR COLLIER: I want to explain this: There was a reason why I asked that re-check take 10 months, instead of doing it in a hurry, that I wasn't personally satisfied with their October 1945 costs Now, as to real estate values, you know as well as I do, that in California, these costs have gone up as much as you say.

ASSEMBLYMAN ROBERTSON: But Senator, do you think that 750 percent between October 25th and January '47 is even within the realms of anything right?

SENATOR COLLIER: Well, Mr. Assemblyman, you know realty values in California. Anything could happen, and anything did happen, in the past few years.

ASSEMBLYMAN ROBERTSON: Well then?

SENATOR COLLIER: There is no governing factor.

ASSEMBLYMAN ROBERTSON: Then, if you believe the department, Mr. Senator Collier, and if you believe that in that route where they increased it 750 percent, in 4 B, they increased it nearly 800 percent, and all these other increases were correct on account of the change of realty values in California?

Under those circumstances—are you—do you contend to project a 10-year plan in the future on these last estimates, or don't you think they will go back again?

SENATOR COLLIER: I don't think personally, if you want my personal opinion, that realty values in California are going to slip a great deal in the next few years.

ASSEMBLYMAN ROBERTSON: That is what I thought in 1930. It cost me my shirt.

SENATOR COLLIER: It may cost me my shirt, but I'd just like to tell you this: My reasoning for that is that 25,000 people are coming to California a month, that if we were in a state with a decreasing population,

our realty values might go down tremendously, but we are not in a static condition. We are in a condition where people are coming to California and the increased demands in California is going to cause those land values to remain somewhat level, and I expect them to go up.

ASSEMBLYMAN ROBERTSON: Then going back to construction cost, you expect over the next 10 years, that construction costs will remain as high as they are now, the same as you do land costs?

SENATOR COLLIER: I don't think so. I think that construction costs—I don't know just what the change in the index may be, but I think it will go down.

ASSEMBLYMAN ROBERTSON: But in your program you haven't made any provision for it going down?

SENATOR COLLIER: What is that?

ASSEMBLYMAN ROBERTSON: I say, in your program you haven't made any provisions for costs going down.

SENATOR COLLIER: Oh, yes, oh, yes, we have.

ASSEMBLYMAN ROBERTSON: You are basing is all on this 1947 report as of present-day values?

SENATOR COLLIER: Just let me call your attention to one thing, Mr. Robertson, that Senate Bill No. 5 as now constituted, is over $600,000,000 short of completing the program.

ASSEMBLYMAN ROBERTSON: Of meeting what program?

SENATOR COLLIER: The critical deficiency program of the State of California, the needs as applied to us by the counties and the needs applied to the cities.

ASSEMBLYMAN ROBERTSON: In other words, you think that it is $600,000,000 short?

SENATOR COLLIER: Yes, sir.

ASSEMBLYMAN ROBERTSON: And may I ask, because I—

SENATOR COLLIER: —That is on a 10-year basis.

ASSEMBLYMAN ROBERTSON: I have heard so many conflicting reports. What amount of actual money expenditure does Senate Bill No. 5 contemplate? I have heard two billion eight hundred million, three billion, one billion four hundred million, is there anything on that—any figure?

SENATOR COLLIER: Well, now, I presume you took time to read the analysis of Senate Bill No. 5?

ASSEMBLYMAN ROBERTSON: I haven't had the opportunity because if I had it, I wouldn't be asking the question.

SENATOR COLLIER: This was prepared prior to the re-convening—at the recess, so that you might go home and read all these things and you and I went home and took care of our business

ASSEMBLYMAN ROBERTSON: You are absolutely right, Senator.

SENATOR COLLIER: If we don't we can't stay here, can we?

ASSEMBLYMAN ROBERTSON: Well, that is a simple question; how much money does it contemplate expending?

SENATOR COLLIER: I might say, if you had taken time to look at the table No. 1 on page No. 1, that is, and I suggest that if the staff here has anextra one, we can furnish you with one.

ASSEMBLYMAN ROBERTSON: I would be very much pleased. Well, all I want to know is that simple thing anyway.

SENATOR COLLIER: Well, now, under this here, (indicates) you will see on this table on page 12 the various sources of revenue and in the next

fiscal year, if this measure passed, there would be from the gasoline tax, and the diesel tax, and registration fee, and weight tax, and operator's fee, and miscellaneous fees, you would expect new revenue would be $86,330,000. The present revenue would be $97,634,000 On a—

ASSEMBLYMAN ROBERTSON: —Then do you add those together to get the total figure?

SENATOR COLLIER: No, leave the multiplication out. We just do a little adding—it would be ten—one hundred and forty million six hundred and twenty-six thousand But over the 10-year period that would be $2,106,410,000.

ASSEMBLYMAN ROBERTSON: That is for the 10-year period?

SENATOR COLLIER: That is right.

ASSEMBLYMAN ROBERTSON. That is two billion—

SENATOR COLLIER: Well, now then, we—

ASSEMBLYMAN ROBERTSON: That really has been worrying me, the great discrepancy in these reports, and I am wondering, Senator, if you don't really think in the next few years, we are going to do this work, you really think it is going to cost more than your estimates?

SENATOR COLLIER: That's right, we will be about $600,000,000 short, considering a 10-year program.

ASSEMBLYMAN ROBERTSON: And you don't think—then Mr. Vandegrift estimated the other day that the estimates of your committee—of the department—now, I am not sure which, were about eight million a year under, on the present 2 percent gas tax—

SENATOR COLLIER. —Three-cent gas tax.

ASSEMBLYMAN ROBERTSON: —yes, and do you think that is correct or incorrect?

SENATOR COLLIER: I think—pardon me now, just a—

ASSEMBLYMAN ROBERTSON: They were $3,500,000 over, and this had been the plan, and as a matter of fact, they were really $8,000,000 over?

SENATOR COLLIERS Just a point I wanted to correct, because you were talking about the present 2-cent gas tax. It is now three.

ASSEMBLYMAN ROBERTSON: That is what I mean—

SENATOR COLLIER: I just wanted to straighten that point out. I think Mr. Vandegrift made a mistake

ASSEMBLYMAN ROBERTSON: Made a mistake, and as a matter of fact, we have all underestimated all of our taxes over the last six years. Isn't that so that it has been underestimated?

SENATOR COLLIER: Some are overestimated and some are underestimated. This estimate is the best that we can give, but if we are to have a different type of roads, or a different system of roads in California, then we must use our best estimate—our best judgment to estimate these things and plan for the future. That has been the trouble with the highway system in the past. It has been the lack of long-range planning.

CHAIRMAN HOLLIBAUGH: Is that all, Mr. Robertson?

ASSEMBLYMAN ROBERTSON: That is all.

CHAIRMAN HOLLIBAUGH. Mr. Geddes is next.

ASSEMBLYMAN GEDDES: Is Mr. Zettel here, Mr. Chairman?

CHAIRMAN HOLLIBAUGH. Yes, you—

SENATOR COLLIER: Yes, here he is.

ASSEMBLYMAN GEDDES: I am interested in the theory of taxation which you have given to the committee this afternoon, I understand that

your primary purpose was to produce the amount of money needed for the program, by means which would be as fair and equitable to all the users, is that correct?

MR. ZETTEL: That is correct

ASSEMBLYMAN GEDDES: One of the primary purposes of taxation, or one that we look at in modern times, is that taxation shall bear equally on all, in proportion to their income or ability to pay, is that right, would you agree with that?

MR. ZETTEL: I agree in what—in where that is in relationship to general taxation.

ASSEMBLYMAN GEDDES: The general taxation. Then it differs from general taxation, we come then to specific taxation?

MR. ZETTEL: That is correct, if I may explain—

ASSEMBLYMAN GEDDES: Just a moment—then would you go on and make your explanation of this point, that in—I mean, in specific taxation such as this, that we can perhaps drift away from that primary purpose of taxation as the ability of the different people to pay it?

MR. ZETTEL: Yes, sir, I feel that we do It seems to me that the application of highway services in the nature of a state service—in effect, making it almost in the nature of managing a public utility system—in other words, it is charging a price for a specific service, that it is furnishing to the people, and just as utilities do not make any differentiating in their rates, according to their ability to pay, so the State in managing a highway system, may use that form in charging for the use of the highways.

ASSEMBLYMAN GEDDES: Without consideration of the ability of the people to pay for those?

MR. ZETTEL: With regard to the highway users' share of the total cost, yes.

ASSEMBLYMAN GEDDES: All right, now, then, as among the different highway users, we are going to grant for the moment that the State is going to provide highways, not as something we have always expected and had in past times as ours to enjoy and use, and help support, but they are going to provide highways now as public utilities, so we are going to go to the people and we will say, in relation now to the manner in which you use the highways, we are going to vary the charge to you?

MR. ZETTEL: That is correct.

ASSEMBLYMAN GEDDES: All right, now, let's get a hypothetical case. We have automobile "A", just a common old family car, but they do manage to get about 20 miles to the gallon, and in a specific year, this car goes 22,000 miles, not quite 2,000 miles a month. Suppose a 5-cent gas tax were there, that would work out to $55 a year gasoline taxes, wouldn't it?

MR. ZETTEL: Yes, that particular car would.

ASSEMBLYMAN GEDDES: And then he would pay $6 for the privilege of registering the car?

MR. ZETTEL: That is the provision of Senate Bill No. 5.

ASSEMBLYMAN GEDDES: So there is $61. Now, we have over here a truck that is slightly increased in the amount of money that it must pay, and which is 17,000 pounds, I think the weight tax on that is 6 6 mills, and that figures out to $145, and that is what he pays for this part of the privilege—the weight fee is $66, that is $211.20, and if he

got, oh, say, 10 miles to the gallon of gasoline, the cost would be $110. That figures that truck cost at $321.20, that is, not including all the other costs, of course, of operator's license, and so forth, and the cost of operating the truck, so he pays $211.20—how much did you say a while ago a truck used the highways more than the passenger cars?

MR. ZETTEL: They use these highways more than the average passenger car drives. The average passenger car drives under 10,000 miles. I don't know whether I followed all of your figures correctly, Mr. Geddes.

ASSEMBLYMAN GEDDES: And when I started to cut this pie some figures as to the amount of the highway used by trucks as distinguished from passenger cars and light weight trucks, and that checks?

MR. ZETTEL: Yes sir, we computed it in terms of gasoline taxes, and we found out how much a passenger car would pay per ton-mile.

ASSEMBLYMAN GEDDES: Yes, that's right

MR. ZETTEL: Then we find out how much trucks of each size would pay per ton-mile. The trucks paid less per ton-mile than the passenger car paid. Therefore a mileage tax would supplement the gasoline tax so that the two types of vehicles would pay the same per ton-mile.

ASSEMBLYMAN GEDDES: Yes, that is exactly the figure we are trying to get at, just what proportion of highway is used by trucks, and what is the proportion used by passenger cars?

MR. ZETTEL: You mean in the terms of total ton-miles?

ASSEMBLYMAN GEDDES: Yes, regardless of what they are carrying.

MR. ZETTEL: I don't know that I can answer that

ASSEMBLYMAN GEDDES: You do strongly say that the trucks should naturally pay more than the passenger car, aren't you?

MR. ZETTEL: Yes, I am.

ASSEMBLYMAN GEDDES: Well, can't you tell us how much all the automobiles as against all the passenger—I mean all the trucks as against all the passenger cars—60, 40, or are there 40 percent more trucks that use the highways than there are private cars?

MR. ZETTEL: Well, you are speaking in terms—

ASSEMBLYMAN GEDDES: All the weight going over them—I don't care how you figure them.

MR. ZETTEL: In terms of vehicles, there are many more passenger cars than there are trucks.

ASSEMBLYMAN GEDDES: In terms of ton-mileage?

MR. ZETTEL: The trucks, of course. I don't have the figure before me. I think the rate is about 38 percent of the ton-miles traveled.

ASSEMBLYMAN GEDDES: All right, that is close enough. I will just say that, suppose your passenger car is owned in relation to the use of the highway—all passenger cars, all trucks, the differential is 120, multiply the passenger cars rate of $66 by 20 and what should the truck pay?

MR. ZETTEL: Passenger car rate of $66?

ASSEMBLYMAN GEDDES: Yes, multiply it by 10.

MR. ZETTEL: I don't understand what you mean by $66, passenger cars—

ASSEMBLYMAN GEDDES: Well, we just figured that it would take $55 worth of gasoline and $6 for the registration fee.

MR. ZETTEL: Well, that is $61, then on a 22,000 mile assumption—

ASSEMBLYMAN GEDDES: Well, yes, sure.

MR. ZETTEL: The average passenger car travels in the neighborhood of 10,000 miles.

ASSEMBLYMAN GEDDES: All right, this is a little more than twice as much as the average

MR ZETTEL: All right, he pays $61—

ASSEMBLYMAN GEDDES: We want to set a rate for all trucks. Now, as against average passenger cars, multiplies to correct my mistake of having more miles average, we will say that the trucks are using the highways as to weight of them 20 times that of the passenger car Then the truck in this lowest bracket should pay $120, shouldn't it?

MR. ZETTEL: According to the figures you used, yes

ASSEMBLYMAN GEDDES. Sure, somewhere or other, this man that has an old jalopy and the fellow that is paying the private car tax just as Mr. Thomas said, is getting the short end of the stick, isn't he?

MR. ZETTEL: Well, I don't feel so, not under the tax system that has been devised.

ASSEMBLYMAN GEDDES: How do you equalize it then?

MR. ZETTEL: Well, if you assume that a passenger car should pay $66, according to its ton-miles of operation, and that the truck operates 20 times as much in terms of ton-miles, which is the assumption you made?

ASSEMBLYMAN GEDDES: That is right.

MR. ZETTEL: Then the rate the truck should pay is 20 times as much

ASSEMBLYMAN GEDDES: That's right, that is right.

MR. ZETTEL. Now, it is conceivable we are taking a purely hpyothetical case.

ASSEMBLYMAN GEDDES: That is right.

MR. ZETTEL: That under the mileage tax, that truck would be paying 20 times as much.

ASSEMBLYMAN GEDDES: But he isn't is he?

MR. ZETTEL: We don't know, he would be under the assumption you made.

ASSEMBLYMAN GEDDES: Well, taking the same assumption, and we will double the rate of that truck and go up to the 34,000 pound, using the same factors, even giving him the same gasoline consumption, he probably has a more efficient motor, that truck is going to pay a total, you can figure it out for yourself later on, less a gasoline tax he would pay a total amount of $540, and that is still not the ratio that the automobile would be, is it?

MR. ZETTEL: I am afraid I can't answer that until you—

ASSEMBLYMAN GEDDES That is just twice as much as the first truck, 22,000 miles, and with the weight fee on that 2,200 miles, that figures out to $268.40 for going that number of miles, he gets 10 miles to the gallon, he pays $122, he would pay $122 for his weight fee, and he pays $110 for gasoline, so he comes out with a figure of $540 for his total operating cost in the same bracket, as against the truck, which pays $211.20, and so he isn't paying anywhere near the same as the owner of an automobile.

MR. ZETTEL: I think they would under our system of taxation, however, a perfect system of taxation has never been devised.

ASSEMBLYMAN GEDDES. Well, it would be very interesting to take a piece of graph paper—

MR. ZETTEL: It has been done in one graph which is in the Lindman Report.

ASSEMBLYMAN GEDDES: That is right, so it will come right down to this: That this whole thing is getting at the original state, that we have got to get so much money and that after all, you can't tax people for highways if they cannot afford to pay for them, but you must tax by what they will pay, and pay willingly, and we have devised a schedule here which probably, if it is passed, but the Legislature, we could get away with, and the people who have to pay would have no alternative but to pay, and that has gotten very far away from the fundamental purposes of taxation, and the duty of a Legislature or a legislative committee in determining the tax. That is all I have, Mr. Chairman.

CHAIRMAN HOLLIBAUGH: Mr. Anderson?

ASSEMBLYMAN ANDERSON: Mr. Zettel, I would like to get some information on this fine formula on Section 188, of page 13 of Senate Bill No. 5, now I would like to get some explanation as to how that formula was derived, where it would be allocated on a 55-45, 50-50 basis to the county group, and the reason for the 45 percent to the northern county group, and 55 percent to the southern county group. I would like to know how that was derived, and I would like to have you justify the different percentages, if you would.

MR. ZETTEL: That was not arrived at by me. The staff did not make any recommendations with regard to the allocation between the north and south.

ASSEMBLYMAN ANDERSON: Well, there must be some reason that that is in there, someone must know why those figures were chosen?

MR ZETTEL: It is not in my field, perhaps Senator Collier can explain

SENATOR COLLIER In reference to the county formula, I presume you are starting first with that.

The county formula was arrived at by compromise with parties who were interested in the county field, and those interested in the city field. That is what legislation is, compromise. It is a matter of compromise all the way around.

ASSEMBLYMAN ANDERSON: What groups were in on this?

SENATOR COLLIER: Your city and county groups.

ASSEMBLYMAN ANDERSON: In other words, this is a compromise between the county Board of Supervisors Association and the League of Cities?

SENATOR COLLIER: Not entirely, there were others, but that is what those features are. That is not a staff report, that is a matter of legislation. The committee concluded long ago what compromises should not be in the staff report, should not be in the committee report, but should be in the legislation itself.

ASSEMBLYMAN ANDERSON: Was this determined on a basis of need, or was it just a compromise politically?

SENATOR COLLIER: I don't know whether you would call it a political compromise or not

ASSEMBLYMAN ANDERSON: In other words, they could have just as easily made it any figure, and it would still be all right as far as your committee was concerned so far as it was all right with the groups concerned?

SENATOR COLLIER: No, I want to correct you in one instance, that the committee did not agree to this. The author had agreed with groups and this was the author's bill before it started through the committee, and before it got through the committee and Senate, I don't know what is the author's bill and what is somebody else's.

ASSEMBLYMAN ANDERSON: Then you are not in favor of this formula?

SENATOR COLLIER: Oh yes, they agreed on it, so I am in favor of it.

ASSEMBLYMAN ANDERSON: Well, maybe. Now, how about this formula at Section 6, 188.4?

SENATOR COLLIER: What page, Mr. Anderson?

ASSEMBLYMAN ANDERSON: Page 13. That is the one that brings the estimated cost of construction to be paid for five years or each five years—

VOICE: That is the Mayo amendment.

SENATOR COLLIER: That's right, the Mayo amendment. The Mayo amendment was referred in it by the Senate.

ASSEMBLYMAN ANDERSON: I don't know what the amendment was.

SENATOR COLLIER: That is not the author's amendment—that is Senator Mayo's amendment.

ASSEMBLYMAN ANDERSON: What is the purpose of that amendment and how is it justified in being in there?

SENATOR COLLIER: By the grace of 21 votes.

ASSEMBLYMAN ANDERSON: In other words, the author is not in favor of these amendments?

SENATOR COLLIER: Oh, yes.

ASSEMBLYMAN ANDERSON: Could you explain the reason for the amendment being in there and why we should support a bill of this kind with this kind of a formula in it?

SENATOR COLLIER: I just gave the reason why they are in there, by the grace of 21 votes.

ASSEMBLYMAN ANDERSON: That doesn't justify their being in there, why it was written in the bill.

SENATOR COLLIER: Oh yes, it does justify it. That is the democratic procedure.

ASSEMBLYMAN ANDERSON: Do you think that there is a—is this a good formula, and do you think it is something we should support in this particular form?

SENATOR COLLIER: Oh, yes.

ASSEMBLYMAN ANDERSON: I wonder if you could tell us how they arrived at that figure—at that particular formula, why they chose these different five-year periods, and those particular amounts?

SENATOR COLLIER: What is it?

ASSEMBLYMAN ANDERSON: I would like to know more about this formula, as to why it was put in, what it does, and why they arrive at three five-year periods.

SENATOR COLLIER: I thought it was two five-year periods.

ASSEMBLYMAN ANDERSON: Well, I don't know—

SENATOR COLLIER: Well, I think they changed it to three.

ASSEMBLYMAN ANDERSON: If you look at the Senate Bill Analysis by Mr. Zettel—

SENATOR COLLIER: You have a copy of that?

ASSEMBLYMAN ANDERSON: You mean the—yes, I have a copy here. I have a copy of Senate Bill No. 5 in my hand.

SENATOR COLLIER: I presume during the recess you read the analysis of Senate Bill No. 5, by Mr. Zettel.

ASSEMBLYMAN ANDERSON: Mr Zettel, on page 16, Table 5—

SENATOR COLLIER: It will show the effect of the Mayo amendment; it will show the effect of the division between the No. 1 group; No. 1, which is the northern 45 counties; and will show the effect of the Mayo amendment as to group No. 2, the southern counties, it seems to be; I presume the author of that amendment would be to assure that during each five-year period that there would be 25 percent of the critical deficiencies taken care of in each one of those counties.

ASSEMBLYMAN ANDERSON: I think that answers my question.

CHAIRMAN HOLLIBAUGH: Mr. James.

ASSEMBLYMAN JAMES: Senator Collier, as you are perhaps aware, Section 1.23 of the Streets and Highways Code as applied under the present law, is that the Department of Public Works may declare any state highway a freeway, that is correct, is it not?

SENATOR COLLIER: Yes.

ASSEMBLYMAN JAMES: At the present time, what state highways or portions of state highways, which are not included in the freeway system of Collier—Senate Bill No. 5, as freeways, have been declared as freeways by the Department of Public Works?

SENATOR COLLIER: None of them.

ASSEMBLYMAN JAMES: How about the Arroyo Seco Freeway?

SENATOR COLLIER: One, that is all right, but that is in here as part of the State Highway System, and expressway system that is already built.

ASSEMBLYMAN JAMES: And how about Santa Ana Freeway?

SENATOR COLLIER: Is Mr. Vickrey here, please?

CHAIRMAN HOLLIBAUGH: Take that microphone there, Mr. Vickrey.

SENATOR COLLIER: Will you come up here, Mr. Vickrey?

(Mr. Vickrey, member of the Public Works Department, assumed the stand.)

MR. VICKREY: Will you repeat your question again, I don't understand it.

ASSEMBLYMAN JAMES: Yes, Mr. Vickrey. In the Streets and Highways Code, I won't repeat the section, it empowers the Department of Public Works to at any time, by resolution declare any portion of the State Highway System to be a freeway. Can you tell me at the present time how much of the expressways or freeways routes included in Senate Bill No. 5 have heretofore been declared expressways by the Department of Public Works?

MR. VICKREY: Not right now, this afternoon, I couldn't. That record is available over in the offices of the department, but portions of those freeways routes which are now under construction in the majority have been declared as freeways.

ASSEMBLYMAN JAMES: The majority have been declared freeways?

MR. VICKREY. Of the portion that is now under construction.

ASSEMBLYMAN JAMES: That portion that you have under construction constitutes what portion?

MR. VICKREY: Well, I—

ASSEMBLYMAN JAMES: —what particular road?

MR VICKREY: Well, a portion of U. S. 99 is under construction, and a portion of 101 is under construction.

ASSEMBLYMAN JAMES: And those portions of 99 that are under construction, are four lane divided highways, and have been declared freeways?

MR. VICKREY: You understand, of course, the law is defined that they are under the term "access"

ASSEMBLYMAN JAMES: I believe I have that myself.

MR. VICKREY: That is designed entirely in terms of access. Those portions of the expressways now under construction at the present time have been considered—declared limited access, or controlled access roads by the commission.

ASSEMBLYMAN JAMES: Then 99—you say in the San Joaquin Valley, for example, as now divided into four lanes highway, has been declared limited access highway?

MR. VICKREY. No, I didn't say what it is Some of it is divided, the portions under construction. Some of the portions that are now under construction, which are being set up, and some of them were not, depending on the time when they were constructed.

ASSEMBLYMAN JAMES: Well, those portions of 99 and 101 that you have declared freeways, do they run through the rural districts, or just those portions that pass through cities and metropolitan areas?

MR. VICKREY: It is the policy of the commission at the present time to acquire access rights practically all of the roads that are being built, access rights in some form There has been a report made on that to one of the committees. I don't remember which, either—it was either the Collier committee that asked for a report on the part of the system that have been declared freeways, and that report has been made. I can tell you probably within the next 10 or 15 minutes whether you can find that report.

ASSEMBLYMAN JAMES: Would that report give us light on how much money has already been committed on these freeways that are not included in the Collier bill?

MR. VICKREY: No, that report covers mileage only.

ASSEMBLYMAN JAMES: I don't think it would help me any then.

CHAIRMAN HOLLIBAUGH: After Assemblyman Weber, Mr. Kirkwood.

ASSEMBLYMAN KIRKWOOD: I wanted to ask Mr. Vickrey some questions.

ASSEMBLYMAN WEBER: Mr. Vickrey, when the Division of Highways purchases the limited access or the rights, are they now providing for any

future access up and down the highways, along the highways, servicing the highways?

MR. VICKREY: For any future access?

ASSEMBLYMAN WEBER. Well, to get up and down the highways, up and down along a highway, where they can't enter.

MR. VICKREY: You mean are they providing so-called service roads?

ASSEMBLYMAN WEBER: That's right.

MR VICKREY: No, in some instances yes, other instances, no.

ASSEMBLYMAN WEBER: Are they preserving that in any way by set-back lines?

MR VICKREY: The same answer applies, in some instances yes, and others, no, in where service roads are required, yes, and where they may be required in the future, unless it is a densely populated or built up area, no.

ASSEMBLYMAN WEBER: Isn't it a principle at all that all the limited access rights must be provided with service roads?

MR. VICKREY: Not necessarily.

ASSEMBLYMAN WEBER: Yes, that is all.

ASSEMBLYMAN KIRKWOOD: Mr. Vickrey, a couple of questions for you, and then I would like to ask Mr. Zettel some questions. One question before you leave—earlier in the afternoon there was referred to this $3,500,000 figure, that apparently has shown up as now available, and wasn't originally thought of as available for highway construction. As I understand it, I am looking at page 884 of the budget that was worked out on the basis that the 2 cents of motor vehicle fuel tax would raise $46,350,000 during the fiscal year. Now, going on, in other words, ending June 30th of this year.

MR. VICKREY: That is correct, I believe.

ASSEMBLYMAN KIRKWOOD: Now, that $3,500,000, at least roughly, in general is an increase in that estimate, is that right?

MR. VICKREY: The $3,500,000 which you refer as an increase in gasoline taxes over our original estimate, that $3,500,000 was taken out of the budget by the Highway Commission on January 22d.

ASSEMBLYMAN KIRKWOOD. Was that the total increased revenue that you anticipate would come in out of revenue out of the end of the year?

MR. VICKREY: That is correct, we have now taken into the budget all of the revenue that we estimated will accrue during the current fiscal year.

ASSEMBLYMAN KIRKWOOD: So that in your opinion, the difference between the actual figures will be $3,500,000 and not $8,000,000?

MR. VICKREY: Well, now, that question isn't entirely clear. I don't recognize an $8,000,000.

ASSEMBLYMAN KIRKWOOD: Well, I believe that it was asked this afternoon, and I believe Mr. Vandegrift did say something the other day, that in his opinion that figure would be increased before the end of the fiscal year to $8,000,000 Now, I may be misquoting that.

MR. VICKREY: Well, I would like to understand more thoroughly what Mr. Vandegrift said. I wouldn't want to make any opinions on Mr. Vandegrift's opinion.

ASSEMBLYMAN KIRKWOOD: In your opinion, the original estimate of revenue for the current fiscal year will only be short of actual revenue by $3,500,000.

MR. VICKREY: No, that isn't quite correct. The original estimate of revenue for the current fiscal year is actually an estimate of revenue for a biennial fiscal year. The estimate of income during the biennium was made during the war. Now, from the time—or, from time to time during the progress of the biennium, we will take into the budget additional revenues. We have now taken into the budget all the income as to the biennium or fiscal year to the best of our knowledge. Now, there will be no further increases in the revenue over our current estimate.

ASSEMBLYMAN KIRKWOOD: Then, let's go on—

MR. VICKREY: That make it clear? I would like to further say that we are apprehensive that our estimate is a little high as they now stand.

ASSEMBLYMAN KIRKWOOD: In other words, your estimate was $49,600,000?

MR. VICKREY: For gasoline taxes.

ASSEMBLYMAN KIRKWOOD: For gasoline taxes. Now, you feel that is an estimate that has been put up to date, and therefore won't be made subject to error?

MR. VICKREY: That figure of $49,600,000 is at the rate of $24,800,000 for 1 cent of gasoline tax, 1 cent of the gas tax during the calendar year of 1946 brought in $26,000,000, and during the present fiscal year, it will be approximately the same, $26,000,000, so an estimate of $24,800,000 during the next fiscal year certainly won't have any large errors.

ASSEMBLYMAN KIRKWOOD: Now I would like to ask Mr. Zettel a question.

ASSEMBLYMAN BROWN: Mr. Chairman, I would like to take up something brought up by Mr. James.

CHAIRMAN HOLLIBAUGH: Go ahead.

ASSEMBLYMAN BROWN: On this thought about the limited access where, like on 99, they have purchased four lanes of limited access and then there are another four lanes strip north or south that has not any limited access right on the highway. My question is: What is the plan? Does the department expect to acquire those access rights?

MR. VICKREY: The department hopes that the Legislature will provide the funds whereby it can provide those access rights.

ASSEMBLYMAN BROWN: That is along the present four lanes?

MR. VICKREY: Our present income is not enough money to go out and purchase access rights for four-lane divided highways.

ASSEMBLYMAN BROWN: There will be a mile of one in Stanislaus County, there is a three-mile four-lane highway from Modesto to say, Lodi, that is not limited access highway. Do you—

MR. VICKREY: —Do you know that it is limited access highway?

ASSEMBLYMAN BROWN: I mean, that is direct—the Stanislaus River is limited access, and I just wanted to know would there be a different kind of limited access rights?

MR. VICKREY: Of course I can't anticipate action by the Highway Commission, but undoubtedly the Senate Bill No. 5, or something of that order shows where those rights will be acquired.

ASSEMBLYMAN BROWN: Will they be followed by condemnation?

MR. VICKREY: Purchase.

ASSEMBLYMAN BROWN: I know, but by purchase, and if the owner will not sell, then the matter—the property would be condemned?

MR. VICKREY: That is going a little further than I could answer. That requires action by the Highway Commission.

ASSEMBLYMAN BROWN: I am speaking of areas where it is already thickly populated with stores already along 99 highway, and then they would have to condemn the access rights of all those businesses, would they not?

MR. VICKREY: Well, that authority to condemn is the authority of the commission, and not of the engineering department.

ASSEMBLYMAN BROWN: That's right, I certainly understand that, but of course the damages are paid for?

MR. VICKREY: I think it would require further action. It would require a cooperating with the county or an agreement with the county to set up a limited access road there.

ASSEMBLYMAN BROWN: Then unless—one more question, that is that the department can go along there where there is already a limited access and where the owner of property abutting on the highways has a 30-foot driveway, the department can recommend that could be condemned and taken by the State?

MR. VICKREY: That is right.

ASSEMBLYMAN BROWN: Then the farmer would have no right of access to the highway?

MR. VICKREY: Well, no, I don't think that conclusion naturally follows.

ASSEMBLYMAN BROWN: Well, the department determines it?

MR. VICKREY: The department has authority under the law to purchase all access rights and control all access or they can control limited access.

ASSEMBLYMAN BROWN. Well, if they make a resolution requiring, or asking those, then nobody else can decide where those access rights can be taken or not, is that correct?

MR. VICKREY: That is correct.

CHAIRMAN HOLLIBAUGH: Gentlemen, it is 5.30, and—just a moment, Mr. Vickery, there are two more on the list, and these gentlemen will all be here again tomorrow. It would help out if you would wait until then.

ASSEMBLYMAN KIRKWOOD: I would like to ask just a couple of questions if I may, just to tie it together.

On page 16 of our analysis, those $836,000,000 to be expended in the next 10 years?

MR. ZETTEL: That is correct. That is before the additional five-year period is added.

ASSEMBLYMAN KIRKWOOD: Well, this is just on the 10 years that I am talking about. Now, does that mean that in each county that much money has to be spent for that portion of the program described in each of the counties has to be completed?

MR. ZETTEL: As the bill is written now, it is meant that much money has to be spent. There is one thing there that I might point out and that is they can spend more in one period, one five-year period, and then spend less in the following five-year period, but the Mayo amendment is specifically percentages of the dollar amount, as outlined in the Senate bill.

ASSEMBLYMAN KIRKWOOD: So that under that amendment it is contemplated that a minimum of $836,000,000 will be spent on new construction on state highways within a period of 10 years?

MR. ZETTEL: Yes, sir.

ASSEMBLYMAN KIRKWOOD: May I ask then, going back to this problem of revenue, that you made earlier. What amount would be made available under Senate Bill No. 5, as it now stands of both new and old money for new state highway construction in the next 10 years?

MR. ZETTEL: That is shown—our estimates are shown in Table 4, page 15. We have estimated there that $1,042,170,000 will be available That is under the revenue raised by Senate Bill No. 5.

ASSEMBLYMAN KIRKWOOD: Where is it?

MR. ZETTEL: Page 15 of it.

ASSEMBLYMAN KIRKWOOD: One billion, forty-two million, now, is this just for state highways?

MR. ZETTEL: That is the amount for state highways, yes, sir.

ASSEMBLYMAN KIRKWOOD: Now, where does the figure from—this figure of $1,330,000,000 of total revenue over here on page 12, which is state highway division?

MR. ZETTEL: The Mayo amendment and the north-south division apply only to construction money. The $1,330,000,000 includes administration, maintenance, and other things that are not money available for construction. In other words, there are $1,300,000,000 available to the Highway Division—State Highway Division We estimate that of that $1,300,000,000, only $1,042,000,000 would be available for construction. The difference in the $300,000,000 being taken up in administration, maintenance and other costs of the department.

ASSEMBLYMAN KIRKWOOD: In your opinion, that is $300,000,000, that is an adequate financing to take care of that?

MR. ZETTEL: That is an estimate of the Division of Highways.

ASSEMBLYMAN KIRKWOOD: There is only a balance there of, well, less than $200,000,000 over and above these moneys that can be allocated as between, or to different counties—I mean the rest is tied up definitely under the two formulas?

MR. ZETTEL: That is correct, and I would like to call your attention to the further fact, that in Senate Bill No. 5, money is divided between north and south according to fixed statutory provisions and if you will refer to the bottom of page—well, Table 4, you will see that $486,000,000 of construction money must be spent in the northern counties.

Now, the Mayo amendment requires the expenditure in each of the northern counties an amount which totals $481,000,000.

CHAIRMAN HOLLIBAUGH: Mr. Collins and Mr. Hawkins, I think all of these gentlemen will be available tomorrow, so could your questions wait?

ASSEMBLYMAN COLLINS: I think it could, yes.

CHAIRMAN HOLLIBAUGH: Yes, he has requested that we continue the meeting into tomorrow. Was there a motion to adjourn?

ASSEMBLYMAN RALPH DILLS: I would like to ask that a couple of charts that I have here, showing the estimated cost of different critical highway programs, percentages of increase, and the cost per mile, and so on, be incorporated in the record of today.

CHAIRMAN HOLLIBAUGH: All right, it is so ordered if there is no objection. (No objection was voiced.)

(Documents referred to above are hereby made a part of this record, and attached beginning on the next page.)

(The meeting was thereupon duly adjourned.)

REPORTER'S CERTIFICATE

This is to certify that I, Harold Krabbenhoft, a stenograph reporter, was present at the time and place the foregoing proceedings were had and taken before Assemblyman Hollibaugh, Chairman of the Assembly Committee on Revenue and Taxation, in the Assembly Chamber of the State Capitol, at Sacramento, California, on Tuesday, March 18, 1947, and that as such stenograph reporter, did report the aforesaid proceedings on the stenograph machine, and afterwards caused said stenograph notes to be reduced to longhand typewriting, and the foregoing proceedings beginning at the top of page 1, to and including line 18 of page 101 hereof, constitutes a full, true, complete and accurate transcription of the aforesaid proceedings.

Dated this twenty-ninth day of March, 1947.

GRAESER REPORTERS

HAROLD KRABBENHOFT, *Reporter*

Proposed State Highway Construction Program as Advocated by California State Division of Highways

County	*Estimated Cost of Critical Highway Construction October 29, 1945*	*Estimated Cost of Critical Highway Construction February 5, 1947*	*Increase*	*Percent of Increase*
Alameda	$55,573,200	$199,454,000	$143,880,800	258.9
Alpine	-	3,942,000	3,942,000	- -
Amador	747,200	7,134,000	6,386,800	854.7
Butte	368,000	10,666,000	10,298,000	2798.0
Calaveras	905,000	6,079,000	5,174,000	571.7
Colusa	572,000	5,550,000	4,978,000	870 2
Contra Costa	14,310,000	39,467,500	25,157,500	175.8
Del Norte	1,868,450	5,015,000	3,146,550	168.4
El Dorado	1,296,150	6,245,600	4,949,450	381.8
Fresno	13,341,000	24,466,000	11,125,000	83.3
Glenn	575,000	4,986,000	4,411,000	767 1
Humboldt	12,001,000	26,987,000	14,986,000	124.8
Imperial	5,779,900	10,325,000	4,545,100	78.6
Inyo	1,712,180	2,262,000	549,820	32.1
Kern	12,216,150	33,795,000	21,578,850	176.6
Kings	1,008,000	5,094,000	4,086,000	405.3
Lake	3,173,500	6,072,000	2,898,500	91.3
Lassen	1,826,700	3,768,000	1,941,300	106.2
Los Angeles	204,186,100	369,992,910	165,806,810	81.2
Madera	3,970,500	9,148,000	5,177,500	130 3
Marin	5,510,100	16,431,000	10,920,900	198.3
Mariposa	----------	8,412,500	8,412,500	--- -
Merced	4,478,000	18,106,000	13,628,000	304.3
Mendocino	11,494,750	23,323,500	11,828,750	102.9
Modoc	1,904,400	5,288,000	3,383,600	177.6
Mono	1,298,635	1,864,000	565,364	43 5
Monterey	11,156,500	25,066,000	13,909,500	124.6
Napa	1,397,000	6,923,000	5,526,000	395.5
Nevada	2,059,500	8,078,800	6,019,300	292.2
Orange	9,779,100	57,620,620	47,841,520	489.2
Placer	4,254,050	15,348,900	11,094,850	260.8
Plumas	2,317,000	4,550,000	2,233,000	96.3
Riverside	10,006,800	33,188,000	23,181,200	231.6
Sacramento	7,936,500	28,763,000	20,826,500	262.4
San Benito	2,509,700	4,559,000	2,049,300	81.6
San Bernardino	13,662,800	45,423,000	31,760,200	232.4
San Diego	15,935,900	43,264,000	27,328,100	171.4
San Francisco	29,630,000	179,885,000	150,255,000	507.1
San Joaquin	12,664,600	27,436,000	14,771,400	116.6
San Luis Obispo	6,349,000	28,396,000	22,047,000	347 2
San Mateo	30,942,586	30,290,000	—652,586	—2.1
Santa Barbara	14,074,200	39,232,000	25,157,800	178.7
Santa Clara	22,422,000	29,406,000	6,984,000	31.1
Santa Cruz	7,630,000	13,890,000	6,260,000	82 0
Shasta	10,727,700	17,025,000	6,297,300	58.7
Sierra	85,500	2,185,000	2,099,500	2455.0
Siskiyou	5,658,400	15,228,000	9,569,600	169.1
Solano	5,679,300	16,670,000	10,990,700	193.5
Sonoma	10,066,000	26,329,000	16,263,000	161.5
Stanislaus	1,726,100	20,810,000	19,083,900	1105.6
Sutter	2,216,000	4,894,500	2,678,500	120.8
Tehama	2,443,800	10,028,000	7,584,200	310 3
Trinity	2,419,700	3,379,000	959,300	39.6
Tulare	9,849,500	18,351,000	8,501,500	86.3
Tuolumne	520,640	6,903,000	6,382,360	1225.8
Ventura	12,127,600	26,450,600	14,323,000	118 1
Yolo	3,883,000	21,582,000	17,699,000	455.8
Yuba	2,257,000	6,695,700	4,438,700	196.6
State totals	$634,503,391	$1,672,724,130	$1,038,220,739	163.6

[1] Program of critical highway construction submitted to the Collier Committee, October 29, 1945.
[2] Program of critical highway construction submitted to State Senate, February 5, 1947

Proposed Expenditures on Critical Projects by Counties

($1,672,724,130 Program Advocated by State Division of Highways—February, 1947)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
County	*Population*	*Miles of state highway*	*Number of vehicles*	*Total cost of critical projects*	*Cost of critical projects per capita*	*Cost of critical projects per mile of state highway*	*Cost of critical projects per registered vehicle*
Alameda	700,000	182.5	226,486	$199,454,000	$285	$1,092,898	$880
Alpine	320	72.6	129	3,942,000	12,318	54,297	30,558
Amador	8,700	121.8	3,435	7,134,000	820	58,571	2,076
Butte	54,100	171.3	23,702	10,666,000	197	62,265	450
Calaveras	9,900	142.4	3,587	6,079,000	614	42,689	1,694
Colusa	10,200	101.7	5,279	5,550,000	544	54,572	1,051
Contra Costa	300,000	111.6	75,563	39,467,500	131	353,651	522
Del Norte	6,200	102.4	2,658	5,015,000	808	48,974	1,886
El Dorado	15,900	183 6	6,337	6,245,600	392	34,017	985
Fresno	250,000	351.2	99,168	24,466,000	97	69,666	246
Glenn	15,600	78.8	6,993	4,986,000	319	63,274	712
Humboldt	52,000	294.7	20,949	26,987,000	518	91,574	1,288
Imperial	57,600	328.9	23,150	10,325,000	179	31,392	446
Inyo	9,900	390.3	4,079	2,262,000	228	5,795	554
Kern	200,000	796.9	75,565	33,795,000	168	42,408	447
Kings	47,000	124.5	19,025	5,094,000	108	40,915	267
Lake	11,500	127.0	5,642	6,072,000	528	47,811	1,076
Lassen	20,000	201.7	6,229	3,768,000	188	18,681	604
Los Angeles	3,611,000	893.8	1,424,080	369,992,910	102	413,954	259
Madera	34,400	120.0	12,745	9,148,000	265	76,230	717
Marin	75,000	90.1	23,082	16,431,000	219	182,364	711
Mariposa	4,500	104.1	1,962	8,412,500	1,869	80,810	4,287
Mendocino	34,600	267.8	11,668	23,323,500	674	87,090	1,998
Merced	57,900	192.5	25,624	18,106,000	312	94,050	706
Modoc	9,700	184.8	3,786	5,288,000	545	28,614	1,396
Mono	1,500	273.1	715	1,864,000	1,242	6,825	2,606
Monterey	106,000	287.7	39,448	25,066,000	236	87,125	635
Napa	42,700	118.6	16,127	6,923,000	162	58,372	429
Nevada	20,400	136.1	6,784	8,078,800	396	59,359	1,190
Orange	171,400	287.5	80,611	57,620,620	336	200,419	714
Placer	34,800	148.8	13,835	15,348,900	441	103,151	1,109
Plumas	12,600	159 8	4,472	4,550,000	361	28,473	1,017
Riverside	151,000	626.2	61,546	33,188,000	219	52,990	539

Proposed Expenditures on Critical Projects by Counties—Continued

($1,672,724,130 Program Advocated by State Division of Highways—February, 1947)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
County	*Population*	*Miles of state highway*	*Number of vehicles*	*Total cost of critical projects*	*Cost of critical projects per capita*	*Cost of critical projects per mile of state highway*	*Cost of critical projects per registered vehicle*
Sacramento	229,000	181.3	88,978	$28,763,000	$125	$158,648	$323
San Benito	15,900	97.1	6,302	4,559,000	286	46,951	723
San Bernardino	258,000	996.5	90,834	45,423,000	176	46,997	500
San Diego	460,000	523.8	165,459	43,264,000	94	82,596	261
San Francisco	750,000	27.1	208,305	179,885,000	239	6,637,823	863
San Joaquin	194,000	214.0	72,497	27,436,000	141	128,205	378
San Luis Obispo	50,600	372.9	19,968	28,396,000	561	76,149	1,422
San Mateo	175,000	164.5	59,593	30,290,000	173	184,133	508
Santa Barbara	88,400	329.8	36,108	39,232,000	443	118,956	1,086
Santa Clara	243,000	210.4	91,810	29,406,000	121	139,762	320
Santa Cruz	61,000	118.6	24,299	13,890,000	227	117,113	571
Shasta	32,600	292.0	13,107	17,025,000	522	58,304	1,298
Sierra	2,580	89.4	921	2,185,000	846	24,440	2,372
Siskiyou	30,300	310.2	12,520	15,228,000	502	49,090	1,216
Solano	112,500	164.6	34,955	16,670,000	148	101,275	476
Sonoma	89,000	219.2	39,785	26,329,000	296	120,114	661
Stanislaus	121,300	151.0	48,448	20,810,000	171	137,814	429
Sutter	25,700	55.6	10,050	4,894,500	190	88,030	487
Tehama	17,600	211.9	7,654	10,028,000	569	47,324	1,310
Trinity	5,000	154.4	1,284	3,379,000	675	21,884	2,631
Tulare	159,000	387.8	56,659	18,351,000	115	47,320	323
Tuolumne	11,600	163.9	4,795	6,903,000	595	42,117	1,439
Ventura	91,000	279.1	35,286	26,450,600	290	94,771	749
Yolo	34,600	185.7	15,992	21,582,000	623	116,219	1,349
Yuba	25,900	57.7	9,684	6,695,700	258	116,043	691
State totals	9,420,000	13,703.2	3,489,824	$1,672,724,130	$177	$122,068	$479

Explanation of above columns:

[1] Estimated population as of January, 1947, by California Taxpayers' Association.

[2] Number of miles of state highway in each county.

[3] Number of registered vehicles in each county in 1946.

[4] Proposed expenditures on critical projects as outlined by State Division of Highways on February 5, 1947.

[5] Proposed expenditures per unit of population in each county.

[6] Proposed expenditures per mile of state highway situated in each county.

[7] Proposed expenditures per registered vehicle in each county.

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Messrs. Gaffney and Berry and the San Francisco Delegation, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to William F. Thomasen of Indio and E. J. Kreuger of San Francisco.

On request of Mr. Collier, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Robert H. Schumacher of Los Angeles.

On request of Mr. Luckel and the San Diego Delegation, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Capt. C. C. Jersey of San Diego.

On request of Mr. Thompson, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Mrs. Thos. Ault, Mrs. Earl Motter and Mrs. Lillian Raymond of Sacramento.

On request of Mr. Ralph C. Dills, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Marilyn Miles and Nancy Stark of Compton.

On request of Mr. Dickey, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Ethel Lorensen and Mrs. Oliver Thorgersen of Alameda.

On request of Mr. Thompson, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Elizabeth Singletary of San Jose.

ADJOURNMENT

At 5 p.m., the Speaker declared the Assembly adjourned until 10.05 a.m., Tuesday, April 1, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE

FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

FORTIETH LEGISLATIVE DAY

SEVENTY-NINTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO

Tuesday, April 1, 1947

The Assembly met at 10.05 a.m.

Hon Sam L Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Blosser, Boyd, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D Collins, Conrad, Cooke, Crichton, Crowley, Lester T. Davis, M Philip Davis, Debs, Dickey, Clayton A Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Wollenberg, and Mr Speaker—74.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

O Almighty and Everlasting God, Thou seest that we fail often through our infirmities, because we are surrounded by so many difficulties, too great for human nature to stand; grant us through the passion of Thy Son the patience to bear our trials in a spirit pleasing to Thee, and the strength to finally overcome all difficulties, through Christ Our Lord—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Stanley, further reading of the Journal of the previous legislative day was dispensed with.

MOTION TO APPROVE JOURNALS

On motion of Mr. Dickey, the Journals for Monday, March 24, 1947; Tuesday, March 25, 1947; Wednesday, March 26, 1947; Thursday, March 27, 1947, and Friday, March 28, 1947, were approved as corrected by the Minute Clerk.

RECESS

At 10.15 a.m., on motion of Mr. Dickey, the Assembly recessed until 2 p.m.

REASSEMBLED

At 2 p.m., the Assembly reconvened.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

LEAVES OF ABSENCE FOR THE BALANCE OF THE LEGISLATIVE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. Cramer, on motion of Mr. M. Philip Davis.

The following members were granted leaves of absence for the balance of the legislative day, because of legislative business elsewhere:

Mr. Hahn, on motion of Mr. Maloney.

Mr. Hinton, on motion of Mr. Maloney.

The following member was granted leave of absence for the balance of the legislative day:

Mr. Allen, on motion of Mr. Lyons.

The following member was granted leave of absence for the day, and desired to waive his per diem:

Mr. Weber, on motion of Mr. Dickey.

REPORTS OF STANDING COMMITTEES

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, April 1, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:

Assembly Bill No. 32

And reports the same correctly re-engrossed.

WEBER, Chairman

Above reported bill ordered to third reading.

NOTICE OF MOTION TO RECONSIDER ASSEMBLY BILL NO. 26 CONTINUED

Mr. Wollenberg asked for, and was granted, unanimous consent that his notice of motion to reconsider Assembly Bill No. 26 be continued until the next legislative day.

MOTION TO CONTINUE CONSIDERATION OF SENATE BILL NO. 5 UNTIL THE NEXT LEGISLATIVE DAY

Mr. Hawkins moved that further consideration of Senate Bill No. 5 be continued until the next legislative day.

Mr. Thurman seconded the motion.

Motion carried.

MEMBERS EXCUSED TO ATTEND MEETING

At 2.17 p.m., Mr. Thurman asked for, and was granted, unanimous consent that the Subcommittee on Ways and Means (Natural Resources) be excused, at this time, for the purpose of holding a meeting in the committee room.

CONSIDERATION OF DAILY FILE
THIRD READING OF ASSEMBLY BILLS

Assembly Bill No. 32—An act to add Sections 147, 148, 149, 150, 151, and 152 to the Streets and Highways Code, relating to state highways, declaring the urgency thereof, to take effect immediately.

Bill read third time.

The roll was called, and the bill passed by the following vote:

AYES—Anderson, Beck, Bennett, Berry, Blosser, Brown, Burke, Burns, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Dickey, Ralph C. Dills, Dolwig, Doyle, Dunn, Evans, Fletcher, Gaffney, Geddes, Grant, Grunsky, Hawkins, Heisinger, Hinckley, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, Price, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Waters, Wollenberg, and Mr. Speaker—61.

NOES—None.

Bill ordered transmitted to the Senate.

THIRD READING OF SENATE BILLS

Senate Bill No. 35—An act to amend Section 906 of the Streets and Highways Code, relating to the width of county highways.

Bill read third time.

The roll was called, and the bill passed by the following vote:

AYES—Anderson, Beck, Bennett, Berry, Blosser, Brown, Burke, Burns, Caldecott, Carey, Clarke, George D. Collins, Cooke, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Ralph C. Dills, Dolwig, Doyle, Dunn, Evans, Field, Fletcher, Gaffney, Geddes, Grant, Grunsky, Hawkins, Heisinger, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Wollenberg, and Mr. Speaker—62.

NOES—None.

Bill ordered transmitted to the Senate.

ADJOURNMENT

At 2.30 p.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 10 a.m., Wednesday, April 2, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

FORTY-FIRST LEGISLATIVE DAY
EIGHTIETH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Wednesday, April 2, 1947

The Assembly met at 10 a.m.

Hon. Thomas A. Maloney, Speaker pro Tempore of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Crichton, Crowley, Lester T Davis, M. Philip Davis, Debs, Dickey, Clayton A Dills, Ralph C Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Wollenberg, and Mr. Speaker—77.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

May these sacrifices which we make during this holy season, O Lord, be the means of curing our vices. May they implore Thy grace so that our sins may be forgiven and that we may be restored to Thy favor through the merits of the passion of Our Lord Jesus Christ—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Burns, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. Cramer, on motion of Mr. Luckel.

CHIEF CLERK INSTRUCTED TO WRITE LETTER

By unanimous consent, Speaker pro Tempore Maloney instructed the Chief Clerk to write a letter to Albert Wollenberg, Jr., who is ill in the Sutter Hospital, and express best wishes on behalf of the Members of the Assembly for a rapid recovery.

EXPRESSION OF APPRECIATION

Mr. Beck expressed appreciation, on behalf of the Members of the Assembly, to Mr. Robert E. G. Harris, Chief Editorial Writer of the Los Angeles Daily News, for his courtesy in sending complimentary copies of the Los Angeles Daily News to all Members of the Assembly, each day.

REMARKS UPON THE CONDITION OF THE FILE

Mr. Robertson spoke upon the condition of the file.

CONSIDERATION OF SPECIAL ORDER

The hour of 10 a.m., having arrived, Senate Bill No. 5 was taken up.

Senate Bill No. 5—An act to provide for a System of Public Streets and Highways in this State and for the financial support thereof, including the levying of taxes therefor, and relating to vehicles thereon and for that purpose to repeal Article 2 of Chapter 2 of Division 1 and Sections 1028, 1029, 188, 190, 191, 203, 232, 1021, 1022, 1023, 1024, 1621, 1625.5, 1626, 1626.5, 1627, and 1628 of, to amend Sections 181, 189, 193, 194, 195, 300, and 1622 of, and to add Division 3, Article 2 of Chapter 2 of Division 1, and Sections 29, 74, 188, 188.2, and 188.4 to, the Streets and Highways Code, to repeal Sections 276.5, 779, 780, and 782, and 142, to amend Sections 276, 277, 370, 372, 381, and 781 of the Vehicle Code, and to repeal Part 4, comprising Sections 9601 to 10501, inclusive, of Division 2 and Sections 8353, 8353.5, 8354, 8355, 8356, 8357, and 8358 of, to amend Sections 7351, 8352, 8651, 9302, 9303, and 9304 of, and to add Part 4, comprising Sections 9601 to 10501, inclusive, to Division 2 of, and Section 8353 to, the Revenue and Taxation Code, and to amend Section 7 of Chapter 788 of the Statutes of 1937.

Bill read third time.

Request for Unanimous Consent That It Be Noted in the Journal Why Public Utilities Commissioners Are Asked to Appear Before the Assembly

Mr. Field asked for, and was granted, unanimous consent that it be noted in the Journal that Messrs. Justus Craemer, Warren Brown, and other Public Utilities Commissioners are being asked to appear before the Assembly so that Members of the Assembly may ask them questions, and they may be free to answer those questions, when the Assembly resolves itself into a Committee of the Whole.

Motion by Mr. Wollenberg That Transcript of Testimony While in the Committee of the Whole Be Made

Mr. Wollenberg moved that the services of a court reporter be obtained, at this time, for the purpose of making a transcript of the testimony given by members of the Public Utilities Commission, while

the Assembly is in Committee of the Whole; and that expense for such service be deducted from the General Fund of the Assembly.

Mr. Burns seconded the motion.

Motion carried.

Motion for Committee of the Whole

Mr. Geddes moved that the Assembly resolve itself into a Committee of the Whole for the purpose of hearing from the Public Utilities Commissioners relative to proposed Amendments Nos. 9 and 10 to Senate Bill No. 5.

Mr. Wollenberg seconded the motion.

Motion carried.

IN COMMITTEE OF THE WHOLE

Speaker pro Tempore Maloney presiding.

Senate Bill No. 5 considered.

On motion of Mr. Dickey, the committee did arise, and report back to the Assembly.

IN ASSEMBLY

Speaker pro Tempore Maloney presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

RECESS

At 11 a.m., on motion of Mr. Dickey, the Assembly recessed until 11.05 a.m.

REASSEMBLED

At 11.05 a m., the Assembly reconvened.

Hon. Thomas A. Maloney, Speaker pro Tempore of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

MOTION FOR COMMITTEE OF THE WHOLE

Mr. Dickey moved that the Assembly resolve itself into a Committee of the Whole for the purpose of hearing from the Public Utilities Commissioners relative to proposed Amendments Nos 9 and 10 to Senate Bill No. 5.

Mr. Thorp seconded the motion.

Motion carried.

IN COMMITTEE OF THE WHOLE

Speaker pro Tempore Maloney presiding.

Senate Bill No. 5 considered.

On motion of Mr. Dickey, the committee did arise, and report back to the Assembly.

IN ASSEMBLY

Speaker pro Tempore Maloney presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

RECESS

At 12.07 p.m., on motion of Mr. Caldecott, the Assembly recessed until 12.09 a.m. to hear remarks from Mr. Lynn Waldorf, football coach of the University of California at Berkeley, and to meet Mr. C. M. "Nibs" Price, basket ball coach at University of California at Berkeley.

REASSEMBLED

At 12.09 p m., the Assembly reconvened.

Hon. Thomas A. Maloney, Speaker pro Tempore of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk

RECESS

At 12.15 p.m., on motion of Mr. Dickey, the Assembly recessed until 2.15 p.m.

REASSEMBLED

At 2.15 p.m., the Assembly reconvened.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

MOTION FOR COMMITTEE OF THE WHOLE

Mr. George D. Collins moved that the Assembly resolve itself into a Committee of the Whole for the purpose of hearing from the Public Utilities Commissioners relative to proposed Amendments Nos. 9 and 10 to Senate Bill No. 5.

Mr. Wollenberg seconded the motion.

Motion carried.

IN COMMITTEE OF THE WHOLE

Speaker Sam L. Collins presiding.

Senate Bill No. 5 considered.

On motion of Mr. Robertson, seconded by Mr. Cooke, the committee did arise, and report back to the Assembly.

IN ASSEMBLY

Speaker Sam L. Collins presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

REPORT OF COMMITTEE OF THE WHOLE

Committee of the Whole

ASSEMBLY CHAMBER, SACRAMENTO, April 2, 1947

MR. SPEAKER: Your Committee of the Whole, to which was referred:

Senate Bill No. 5 with amendments

Has had the same under consideration, and reports that the same has been considered.

SAM L. COLLINS, Chairman

APPRECIATION EXPRESSED BY SPEAKER

Speaker Collins expressed appreciation on behalf of the Members of the Assembly to Messrs. Justus Craemer and Wallace Brown, Public Utilities Commissioners, for their courtesy in appearing before the Assembly for the purpose of answering questions.

FURTHER CONSIDERATION OF SENATE BILL NO. 5

Senate Bill No. 5—An act to provide for a System of Public Streets and Highways in this State and for the financial support thereof, including the levying of taxes therefor, and relating to vehicles thereon and for that purpose to repeal Article 2 of Chapter 2 of Division 1 and Sections 1028, 1029, 188, 190, 191, 203, 232, 1021, 1022, 1023, 1024, 1621, 1625.5, 1626, 1626.5, 1627, and 1628 of, to amend Sections 181, 189, 193, 194, 195, 300, and 1622 of, and to add Division 3, Article 2 of Chapter 2 of Division 1, and Sections 29, 74, 188, 188.2, and 188.4 to, the Streets and Highways Code, to repeal Sections 276.5, 779, 780, and 782, and 142, to amend Sections 276, 277, 370, 372, 381, and 781 of, and to add Section 372.2 to, the Vehicle Code, and to repeal Part 4, comprising Sections 9601 to 10501, inclusive, of Division 2 and Sections 8353, 8353.5, 8354, 8355, 8356, 8357, and 8358 of, to amend Sections 7351, 8352, 8651, 9302, 9303, and 9304 of, and to add Section 8353 to, the Revenue and Taxation Code, and to amend Section 7 of Chapter 788 of the Statutes of 1937.

Bill read third time.

Consideration of Amendments Nos. 9 and 10

Amendment No. 9

On page 20 of the printed bill, as amended in the Assembly, March 31, 1947, strike out lines 30 to 35, inclusive

Amendment No. 10

On page 38 of the printed bill, as amended in the Assembly, March 31, 1947, in line 38, strike out "30"; in line 41, strike out "provided, however,"; in line 42, strike out "that Section 30 shall become operative July 1,"; and in line 43, strike out "1947".

Amendments read.

Motion That Amendments Nos. 9 and 10 to Senate Bill No. 5 Be Adopted

Mr. Geddes moved that Amendments Nos. 9 and 10 to Senate Bill No. 5 be adopted.

Mr. Luckel seconded the motion.

The roll was called, and the amendment adopted by the following vote:

AYES—Beck, Bennett, Blosser, Brady, Brown, Burke, Butters, Carey, Cook, Crichton, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Doyle, Field, Fletcher, Gaffney, Gannon, Geddes, Hawkins, Heisinger, Hollibaugh, Huyck, James, Kilpatrick, Luckel, Lyons, McCollister, McMillan, Niehouse, O'Day, Robertson, Rosenthal, Silliman, Stephenson, Thomas, Waters, and Mr. Speaker—39.

NOES—Boyd, Burns, Caldecott, Collier, George D. Collins, Conrad, Lester T. Davis, M. Philip Davis, Dolwig, Evans, Grant, Grunsky, Hinckley, Hinton, Kirkwood, Loomis, Maloney, Miller, Price, Sherwin, Stanley, Thorp, Thurman, and Wollenberg—24.

Senate Bill No. 5 ordered reprinted.

REQUEST FOR UNANIMOUS CONSENT THAT TRANSCRIPT BE PRINTED IN THE JOURNAL

Mr. Wollenberg asked for, and was granted, unanimous consent that the transcript taken this day, while the Assembly was resolved into a Committee of the Whole, be ordered printed in a subsequent Journal.

REPORTS OF STANDING COMMITTEES

Committee on Rules

ASSEMBLY CHAMBER, SACRAMENTO, April 2, 1947

MR. SPEAKER: Your Committee on Rules, to which was referred:

Request from Mr. Ralph C. Dills, relative to a report of the California Taxpayers' Assn. (Study No. 590) on sources of financing for County Highway Programs, 1946-1947;

Has had the same under consideration, and reports the same back with the recommendation: Be printed in the Assembly Daily Journal.

DICKEY, Chairman

Above reported request granted, and report ordered printed in the Journal.

REPORT OF CALIFORNIA TAXPAYERS' ASSOCIATION

SOURCES OF FINANCING FOR COUNTY HIGHWAY PROGRAMS—1946-47

California Taxpayers' Association, in its study of budgets of various governmental jurisdictions, has published data on highway expenditures for several years.

The following series of figures for 1946-47 brings up to date our study of the Highway Program of California Counties. This report shows the sources and amounts of revenue and balances on hand as well as the taxes levied for highway purposes for 1946-47.

The following facts are brought out in this study:

1. There is a lack of uniformity among counties in financing their highway programs.
2. The effect of the additional federal-state aid is shown in the budgets for highway purposes for 1946-47.
3. There are a number of counties in which no tax levy for highway purposes was made for 1946-47.
4. During 1946-47, approximately $95,000,000 from various sources will have been available to finance county highway work.

The following data supplement the material published in *The Tax Digest* for July, 1946, under the heading, "$100,000,000 for County Roads." In that article, expenditures were reported for the period 1941-42 through 1944-45 with the budget data for 1945-46 for each of the counties in California.

SOURCES OF FINANCING FOR COUNTY HIGHWAY PROGRAMS—1946-47

	Totals	*County budgets 1946-47*	*County Highway Act of 1945*	*California Construction and Employment Act of 1946*
ALAMEDA COUNTY				
Gasoline Tax		$1,200,000		
Motor Vehicle Fees		350,000		
Motor Vehicle "In Lieu Tax"		-------		
Forest Reserve Payments		-------		
Fines		70,000		
Road District Tax		-------		
Countywide Tax		-------		
Other Revenues		16,000		
Cash Balance		2,059,395		
Federal-State Aid		-------	$322,555	$216,617
Total Budget	$4,234,567	$3,695,395	$322,555	$216,617

SOURCES OF FINANCING FOR COUNTY HIGHWAY PROGRAMS—1946-47
(Continued)

	Total	*County budgets 1946-47*	*County Highway Act of 1945*	*California Construction and Employment Act of 1946*
ALPINE COUNTY				
Gasoline Tax		$30,500		
Motor Vehicle Fees		200		
Motor Vehicle "In Lieu Tax"		-------		
Forest Reserve Payments		3,000		
Fines		-------		
Road District Tax		-------		
Countywide Tax		-------		
Other Revenues		1,475		
Cash Balance		19,178		
Federal-State Aid		-------	$127,755	$7,977
Total Budget	$190,085	$54,353	$127,755	$7,977
AMADOR COUNTY				
Gasoline Tax		$50,000		
Motor Vehicle Fees		4,800		
Motor Vehicle "In Lieu Tax"		7,700		
Forest Reserve Payments		2,300		
Fines		1,500		
Road District Tax		41,148		
Countywide Tax		20,000		
Other Revenues		300		
Cash Balance		91,172		
Federal-State Aid		-------	$127,755	$60,856
Total Budget	$407,531	$218,920	$127,755	$60,856
BUTTE COUNTY				
Gasoline Tax		$136,000		
Motor Vehicle Fees		18,000		
Motor Vehicle "In Lieu Tax"		-------		
Forest Reserve Payments		4,000		
Fines		7,500		
Road District Tax		-------		
Countywide Tax		299,646		
Other Revenues		317		
Cash Balance		81,013		
Federal-State Aid		-------	$421,166	$262,126
Total Budget		$546,476	$421,166	$262,126
Unbudgeted Resources		21,356		
Total	$1,251,124	$567,832	$421,166	$262,126
CALAVERAS COUNTY				
Gasoline Tax		$51,000		
Motor Vehicle Fees		5,000		
Motor Vehicle "In Lieu Tax"		6,000		
Forest Reserve Payments		900		
Fines		1,250		
Road District Tax		41,714		
Countywide Tax		34,813		
Other Revenues		------		
Cash Balance		44,885		
Federal-State Aid		------	$154,154	$99,723
Total Budget	$439,439	$185,562	$154,154	$99,723

SOURCES OF FINANCING FOR COUNTY HIGHWAY PROGRAMS—1946-47
(Continued)

	Total	*County budgets 1946-47*	*County Highway Act of 1945*	*California Construction and Employment Act of 1946*
COLUSA COUNTY				
Gasoline Tax		$60,000		
Motor Vehicle Fees		6,500		
Motor Vehicle "In Lieu Tax"		15,000		
Forest Reserve Payments		60		
Fines		1,132		
Road District Tax		92,786		
Countywide Tax		95,666		
Other Revenues		------		
Cash Balance		50,210		
Federal-State Aid		------	$174,960	$118,896
Total Budget	$615,210	$321,354	$174,960	$118,896
CONTRA COSTA COUNTY				
Gasoline Tax		$460,000		
Motor Vehicle Fees		125,000		
Motor Vehicle "In Lieu Tax"		------		
Forest Reserve Payments		------		
Fines		75,000		
Road District Tax		------		
Countywide Tax		328,041		
Other Revenues		------		
Cash Balance		132,693		
Federal-State Aid		------	$372,140	$255,391
Total Budget	$1,748,265	$1,120,734	$372,140	$255,391
DEL NORTE COUNTY				
Gasoline Tax		$40,650		
Motor Vehicle Fees		3,182		
Motor Vehicle "In Lieu Tax"		2,506		
Forest Reserve Payments		3,915		
Fines		1,300		
Road District Tax		------		
Countywide Tax		------		
Other Revenues		1,525		
Cash Balance		46,642		
Federal-State Aid		------	$127,755	$25,813
Total Budget	$253,288	$99,720	$127,755	$25,813
EL DORADO COUNTY				
Gasoline Tax		$65,000		
Motor Vehicle Fees		8,300		
Motor Vehicle "In Lieu Tax"		11,400		
Forest Reserve Payments		----		
Fines		----		
Road District Tax		30,838		
Countywide Tax		5,958		
Other Revenues		10,922		
Cash Balance		55,053		
Federal-State Aid		----	$221,163	$118,279
Total Budget	$526,913	$187,471	$221,163	$118,279

SOURCES OF FINANCING FOR COUNTY HIGHWAY PROGRAMS—1946-47
(Continued)

	Total	*County budgets 1946-47*	*County Highway Act of 1945*	*California Construction and Employment Act of 1946*
FRESNO COUNTY				
Gasoline Tax		$600,000		
Motor Vehicle Fees		125,000		
Motor Vehicle "In Lieu Tax"		----		
Forest Reserve Payments		7,500		
Fines		45,000		
Road District Tax		----		
Countywide Tax		296,220		
Other Revenues		----		
Cash Balance		511,173		
Federal-State Aid		----	$1,307,936	$809,386
Total Budget	$3,702,215	$1,584,893	$1,307,936	$809,386
GLENN COUNTY				
Gasoline Tax		$50,000		
Motor Vehicle Fees		8,000		
Motor Vehicle "In Lieu Tax"		3,000		
Forest Reserve Payments		150		
Fines		1,500		
Road District Tax		80,192		
Countywide Tax		16,762		
Other Revenues		19,638		
Cash Balance		87,899		
Federal-State Aid		----	$207,948	$142,652
Total Budget	$617,741	$267,141	$207,948	$142,652
HUMBOLDT COUNTY				
Gasoline Tax		$135,000		
Motor Vehicle Fees		30,000		
Motor Vehicle "In Lieu Tax"		----		
Forest Reserve Payments		400		
Fines		5,000		
Road District Tax		68,387		
Countywide Tax		60,090		
Other Revenues		16,274		
Cash Balance		209,099		
Federal-State Aid		----	$474,711	$217,123
Total Budget	$1,216,084	$524,250	$474,711	$217,123
IMPERIAL COUNTY				
Gasoline Tax Motor Vehicle Fees		$384,500		
Motor Vehicle "In Lieu Tax"		------		
Forest Reserve Payments		------		
Fines		5,960		
Road District Tax		------		
Countywide Tax		1,200		
Other Revenues		1,383,500		
Cash Balance		26,040		
Federal-State Aid		------	$538,026	$329,032
Total Budget	$2,668,258	$1,801,200	$538,026	$329,032

SOURCES OF FINANCING FOR COUNTY HIGHWAY PROGRAMS—1946-47
(Continued)

	Total	*County budgets 1946-47*	*County Highway Act of 1945*	*California Construction and Employment Act of 1946*
INYO COUNTY				
Gasoline Tax		$45,000		
Motor Vehicle Fees		5,000		
Motor Vehicle "In Lieu Tax"		------		
Forest Reserve Payments		1,750		
Fines		1,500		
Road District Tax		35,428		
Countywide Tax		------		
Other Revenues		------		
Cash Balance		55,522		
Federal-State Aid		------	$633,257	$145,352
Total Budget	$922,809	$144,200	$633,257	$145,352
KERN COUNTY				
Gasoline Tax		$275,000		
Motor Vehicle Fees		80,000		
Motor Vehicle "In Lieu Tax"		------		
Forest Reserve Payments		1,500		
Fines		45,000		
Road District Tax		275,150		
Countywide Tax		45,193		
Other Revenues		884		
Cash Balance		188,312		
Federal-State Aid		------	$1,145,075	$673,949
Total Budget	$2,730,063	$911,039	$1,145,075	$673,949
KINGS COUNTY				
Gasoline Tax		$135,000		
Motor Vehicle Fees		25,000		
Motor Vehicle "In Lieu Tax"		------		
Forest Reserve Payments		------		
Fines		------		
Road District Tax		144,336		
Countywide Tax		128,416		
Other Revenues		7,500		
Cash Balance		311,930		
Federal-State Aid		------	$306,273	$210,740
Total Budget	$1,269,195	$752,182	$306,273	$210,740
LAKE COUNTY				
Gasoline Tax				
Motor Vehicle Fees				
Motor Vehicle "In Lieu Tax"				
Forest Reserve Payments				
Fines				
Road District Tax		not included		
Countywide Tax				
Other Revenues				
Cash Balance				
Federal-State Aid			$171,318	$76,084
Total Budget	$247,402	------	$171,318	$76,084

SOURCES OF FINANCING FOR COUNTY HIGHWAY PROGRAMS—1946-47
(Continued)

	Total	*County budgets 1946-47*	*County Highway Act of 1945*	*California Construction and Employment Act of 1946*
LASSEN COUNTY				
Gasoline Tax		$60,440		
Motor Vehicle Fees		9,000		
Motor Vehicle "In Lieu Tax"		------		
Forest Reserve Payments		17,500		
Fines		1,500		
Road District Tax		38,162		
Countywide Tax		300		
Other Revenues		2,500		
Cash Balance		34,994		
Federal-State Aid		------	$379,958	$186,988
Total Budget	$731,342	$164,396	$379,958	$186,988
LOS ANGELES COUNTY				
Gasoline Tax		$8,670,000		
Motor Vehicle Fees		2,225,000		
Motor Vehicle "In Lieu Tax"		------		
Forest Reserve Payments		------		
Fines		400,000		
Road District Tax		108,823		
Countywide Tax		------		
Contingent Fund		2,167,833		
Other Revenues		10,000		
Cash Balance		6,668,637		
Federal-State Aid		------	$2,616,996	$2,160,622
Total Budget	$25,027,911	$20,250,293	$2,616,996	$2,160,622
MADERA COUNTY				
Gasoline Tax		$104,000		
Motor Vehicle Fees		17,700		
Motor Vehicle "In Lieu Tax"		------		
Forest Reserve Payments		5,000		
Fines		6,000		
Road District Tax		114,347		
Countywide Tax		16,845		
Other Revenues		2,000		
Cash Balance		128,026		
Federal-State Aid		------	$310,771	$195,429
Total Budget	$900,118	$393,918	$310,771	$195,429
MARIN COUNTY				
Gasoline Tax		$154,375		
Motor Vehicle Fees		35,395		
Motor Vehicle "In Lieu Tax"		------		
Forest Reserve Payments		------		
Fines		20,000		
Road District Tax		------		
Countywide Tax		30,000		
Other Revenues		------		
Cash Balance		31,530		
Federal-State Aid		------	$232,640	$121,635
Total Budget	$625,575	$271,300	$232,640	$121,635

SOURCES OF FINANCING FOR COUNTY HIGHWAY PROGRAMS—1946-47
(Continued)

	Total	*County budgets 1946-47*	*County Highway Act of 1945*	*California Construction and Employment Act of 1946*
MARIPOSA COUNTY				
Gasoline Tax		$40,000		
Motor Vehicle Fees		4,500		
Motor Vehicle "In Lieu Tax"		------		
Forest Reserve Payments		1,250		
Fines		------		
Road District Tax		------		
Countywide Tax		------		
Other Revenues		500		
Cash Balance		19,845		
Federal-State Aid		------	$162,113	$70,243
Total Budget	$298,451	$66,095	$162,113	$70,243
MENDOCINO COUNTY				
Gasoline Tax				
Motor Vehicle Fees				
Motor Vehicle "In Lieu Tax"				
Forest Reserve Payments				
Fines		Budget		
Road District Tax		Not		
Countywide Tax		Available		
Other Revenues				
Cash Balance				
Federal-State Aid			$405,408	$188,001
Total Budget	$593,409		$405,408	$188,001
MERCED COUNTY				
Gasoline Tax		$175,000		
Motor Vehicle Fees		37,500		
Motor Vehicle "In Lieu Tax"				
Forest Reserve Payments		------		
Fines		23,000		
Road District Tax		121,900		
Countywide Tax		153,736		
Other Revenues		------		
Cash Balance		125,000		
Federal-State Aid		------	$438,221	$306,825
Total Budget	$1,381,182	$636,136	$438,221	$306,825
MODOC COUNTY				
Gasoline Tax		$50,000		
Motor Vehicle Fees		5,000		
Motor Vehicle "In Lieu Tax"		----		
Forest Reserve Payments		5,000		
Fines		500		
Road District Tax		23,112		
Countywide Tax		----		
Other Revenues		21,500		
Cash Balance		70,548		
Federal-State Aid		----	$324,532	$110,789
Total Budget	$610,981	$175,660	$324,532	$110,789

SOURCES OF FINANCING FOR COUNTY HIGHWAY PROGRAMS—1946-47
(Continued)

	Total	*County budgets 1946-47*	*County Highway Act of 1945*	*California Construction and Employment Act of 1946*
MONO COUNTY				
Gasoline Tax		$36,000		
Motor Vehicle Fees		1,000		
Motor Vehicle "In Lieu Tax"		----		
Forest Reserve Payments		4,000		
Fines		1,500		
Road District Tax		----		
Countywide Tax		----		
Other Revenues		2,000		
Cash Balance		17,700		
Federal-State Aid		----	$228,168	$54,740
Total Budget	$345,108	$62,200	$228,168	$54,740
MONTEREY COUNTY				
Gasoline Tax		$258,072		
Motor Vehicle Fees		56,000		
Motor Vehicle "In Lieu Tax"		----		
Forest Reserve Payments		300		
Fines		31,000		
Road District Tax		----		
Countywide Tax		109,508		
Other Revenues		5,000		
Cash Balance		73,920		
Federal-State Aid		----	$514,547	$303,839
Total Budget	$1,352,186	$533,800	$514,547	$303,839
NAPA COUNTY				
Gasoline Tax		$121,000		
Motor Vehicle Fees		24,000		
Motor Vehicle "In Lieu Tax"		1,000		
Forest Reserve Payments		----		
Fines		22,000		
Road District Tax		27,380		
Countywide Tax		17,500		
Other Revenues		2,600		
Cash Balance		37,190		
Federal-State Aid		----	$222,017	$113,928
Total Budget	$588,615	$252,670	$222,017	$113,928
NEVADA COUNTY				
Gasoline Tax		$68,740		
Motor Vehicle Fees		8,580		
Motor Vehicle "In Lieu Tax"		----		
Forest Reserve Payments		1,400		
Fines		6,000		
Road District Tax		----		
Countywide Tax		31,500		
Other Revenues		200		
Cash Balance		35,762		
Federal-State Aid		----	$160,032	$107,451
Total Budget	$419,665	$152,182	$160,032	$107,451

SOURCES OF FINANCING FOR COUNTY HIGHWAY PROGRAMS—1946-47
(Continued)

	Total	*County budgets 1946-47*	*County Highway Act of 1945*	*California Construction and Employment Act of 1946*
ORANGE COUNTY				
Gasoline Tax		$330,000		
Motor Vehicle Fees		115,134		
Motor Vehicle "In Lieu Tax"		------		
Forest Reserve Payments		150		
Fines		32,000		
Road District Tax		------		
Countywide Tax		------		
Other Revenues		106,469		
Cash Balance		869,338		
Federal-State Aid		------	$489,911	$287,724
Total Budget	$2,230,726	$1,453,091	$489,911	$287,724
PLACER COUNTY				
Gasoline Tax		$109,620		
Motor Vehicle Fees		18,900		
Motor Vehicle "In Lieu Tax"		------		
Forest Reserve Payments		------		
Fines		25,500		
Road District Tax		------		
Countywide Tax		------		
Other Revenues		1,963		
Cash Balance		142,239		
Federal-State Aid		------	$262,973	$139,394
Total Budget		$298,222	$262,973	$139,394
Unbudgeted Resources		1,791		
Total	$702,380	$300,013	$262,973	$139,394
PLUMAS COUNTY				
Gasoline Tax		$54,400		
Motor Vehicle Fees		6,400		
Motor Vehicle "In Lieu Tax"		------		
Forest Reserve Payments		30,000		
Fines		------		
Road District Tax		46,957		
Countywide Tax		141,229		
Other Revenues		------		
Cash Balance		116,764		
Federal-State Aid		------	$254,006	$110,340
Total Budget	$760,096	$395,750	$254,006	$110,340
RIVERSIDE COUNTY				
Gasoline Tax		$278,000		
Motor Vehicle Fees		80,000		
Motor Vehicle "In Lieu Tax"		70,000		
Forest Reserve Payments		2,000		
Fines		75,000		
Road District Tax		136,100		
Countywide Tax		15,340		
Other Revenues		12,500		
Cash Balance		75,000		
Federal-State Aid		------	$939,325	$537,101
Total Budget	$2,220,366	$743,940	$939,325	$537,101

SOURCES OF FINANCING FOR COUNTY HIGHWAY PROGRAMS—1946-47
(Continued)

	Totals	*County budgets 1946-47*	*County Highway Act of 1945*	*California Construction and Employment Act of 1946*
SACRAMENTO COUNTY				
Gasoline Tax		$400,000		
Motor Vehicle Fees		100,000		
Motor Vehicle "In Lieu Tax"		------		
Forest Reserve Payments		------		
Fines		------		
Road District Tax		197,569		
Countywide Tax		------		
Other Revenues		4,000		
Cash Balance		1,046,353		
Federal-State Aid		------	$571,354	$391,496
Total Budget	$2,710,772	$1,747,922	$571,354	$391,496
SAN BENITO COUNTY				
Gasoline Tax		$60,000		
Motor Vehicle Fees		5,000		
Motor Vehicle "In Lieu Tax"		------		
Forest Reserve Payments		------		
Fines		5,000		
Road District Tax		------		
Countywide Tax		11,845		
Other Revenues		------		
Cash Balance		38,993		
Federal-State Aid		------	$183,344	$72,842
Total Budget	$377,024	$120,838	$183,344	$72,842
SAN BERNARDINO COUNTY				
Gasoline Tax		$300,000		
Motor Vehicle Fees		100,000		
Motor Vehicle "In Lieu Tax"		100,000		
Forest Reserve Payments		------		
Fines		30,000		
Road District Tax		------		
Countywide Tax		------		
Other Revenues		------		
Cash Balance		668,813		
Federal-State Aid		------	$1,712,244	$616,483
Total Budget	$3,527,540	$1,198,813	$1,712,244	$616,483
SAN DIEGO COUNTY				
Gasoline Tax		$930,000		
Motor Vehicle Fees		245,000		
Motor Vehicle "In Lieu Tax"		------		
Forest Reserve Payments		------		
Fines		73,896		
Road District Tax		------		
Countywide Tax		------		
Other Revenues		23,590		
Cash Balance		381,489		
Federal-State Aid		------	$742,916	$439,598
Total Budget	$2,836,489	$1,653,975	$742,916	$439,598

SOURCES OF FINANCING FOR COUNTY HIGHWAY PROGRAMS—1946-47
(Continued)

	Total	*County budgets 1946-47*	*County Highway Act of 1945*	*California Construction and Employment Act of 1946*
SAN FRANCISCO COUNTY				
Gasoline Tax				
Motor Vehicle Fees				
Motor Vehicle "In Lieu Tax"				
Forest Reserve Payments				
Fines				
Road District Tax	Excluded because of being a city and county			
Countywide Tax				
Other Revenues				
Cash Balance				
Federal-State Aid				
Total Budget				
SAN JOAQUIN COUNTY				
Gasoline Tax		$442,000		
Motor Vehicle Fees		106,000		
Motor Vehicle "In Lieu Tax"		------		
Forest Reserve Payments		------		
Fines		40,000		
Road District Tax		96,696		
Countywide Tax		------		
Other Revenues		15,510		
Cash Balance		361,326		
Federal-State Aid		------	$598,880	$413,018
Total Budget	$2,073,430	$1,061,532	$598,880	$413,018
SAN LUIS OBISPO COUNTY				
Gasoline Tax		$121,000		
Motor Vehicle Fees		35,000		
Motor Vehicle "In Lieu Tax"		------		
Forest Reserve Payments		------		
Fines		12,910		
Road District Tax		113,552		
Countywide Tax		321		
Other Revenues		3,920		
Cash Balance		96,745		
Federal-State Aid		------	$402,353	$214,661
Total Budget	$1,000,462	$383,448	$402,353	$214,661
SAN MATEO COUNTY				
Gasoline Tax		$333,517		
Motor Vehicle Fees		87,200		
Motor Vehicle "In Lieu Tax"		----		
Forest Reserve Payments		----		
Fines		16,000		
Road District Tax		----		
Countywide Tax		54,868		
Other Revenues		1,050		
Cash Balance		278,797		
Federal-State Aid		----	$230,694	$155,331
Total Budget	$1,157,457	$771,432	$230,694	$155,331

SOURCES OF FINANCING FOR COUNTY HIGHWAY PROGRAMS—1946-47
(Continued)

	Total	*County budgets 1946-47*	*County Highway Act of 1945*	*California Construction and Employment Act of 1946*
SANTA BARBARA COUNTY				
Gasoline Tax		$160,380		
Motor Vehicle Fees		60,895		
Motor Vehicle "In Lieu Tax"		52,100		
Forest Reserve Payments		----		
Fines		29,000		
Road District Tax		8,810		
Countywide Tax		36,385		
Other Revenues		11,500		
Cash Balance		192,421		
Federal-State Aid		----	$345,377	$162,845
Total Budget	$1,059,713	$551,491	$345,377	$162,845
SANTA CLARA COUNTY				
Gasoline Tax		$633,856		
Motor Vehicle Fees		133,456		
Motor Vehicle "In Lieu Tax"		----		
Forest Reserve Payments		----		
Fines		39,050		
Road District Tax		----		
Countywide Tax		----		
Other Revenues		25,181		
Cash Balance		1,012,068		
Federal-State Aid		----	$586,923	$387,064
Total Budget	$2,817,598	$1,843,611	$586,923	$387,064
SANTA CRUZ COUNTY				
Gasoline Tax		$172,356		
Motor Vehicle Fees		34,291		
Motor Vehicle "In Lieu Tax"		----		
Forest Reserve Payments		----		
Fines		13,205		
Road District Tax		----		
Countywide Tax		110,869		
Other Revenues		8,000		
Cash Balance		32,062		
Federal-State Aid		----	$208,176	$131,675
Total Budget	$710,634	$370,783	$208,176	$131,675
SHASTA COUNTY				
Gasoline Tax		$95,000		
Motor Vehicle Fees		15,000		
Motor Vehicle "In Lieu Tax"		21,000		
Forest Reserve Payments		500		
Fines		1,000		
Road District Tax		124,565		
Countywide Tax		92,175		
Other Revenues		----		
Cash Balance		53,928		
Federal-State Aid		----	$416,506	$209,922
Total Budget	$1,029,596	$403,168	$416,506	$209,922

SOURCES OF FINANCING FOR COUNTY HIGHWAY PROGRAMS—1946-47
(Continued)

	Total	*County budgets 1946-47*	*County Highway Act of 1945*	*California Construction and Employment Act of 1946*
SIERRA COUNTY				
Gasoline Tax		$35,000		
Motor Vehicle Fees		2,000		
Motor Vehicle "In Lieu Tax"		------		
Forest Reserve Payments		5,000		
Fines		750		
Road District Tax		5,950		
Countywide Tax		------		
Other Revenues		1,060		
Cash Balance		53,730		
Federal-State Aid		------	$127,755	$40,645
Total Budget	$271,890	$103,490	$127,755	$40,645
SISKIYOU COUNTY				
Gasoline Tax		$94,950		
Motor Vehicle Fees		18,060		
Motor Vehicle "In Lieu Tax"		------		
Forest Reserve Payments		10,001		
Fines		4,400		
Road District Tax		100,747		
Countywide Tax		------		
Other Revenues		13,750		
Cash Balance		21,344		
Federal-State Aid		------	$601,431	$200,492
Total Budget	$1,065,175	$263,252	$601,431	$200,492
SOLANO COUNTY				
Gasoline Tax		$200,000		
Motor Vehicle Fees		53,000		
Motor Vehicle "In Lieu Tax"		------		
Forest Reserve Payments		------		
Fines		22,000		
Road District Tax		73,046		
Countywide Tax		1,800		
Other Revenues		11,047		
Cash Balance		359,846		
Federal-State Aid		------	$253,174	$153,367
Total Budget	$1,127,280	$720,739	$253,174	$153,367
SONOMA COUNTY				
Gasoline Tax		$261,000		
Motor Vehicle Fees		57,000		
Motor Vehicle "In Lieu Tax"		59,000		
Forest Reserve Payments		750		
Fines		------		
Road District Tax		------		
Countywide Tax		------		
Other Revenues		------		
Cash Balance		672,626		
Federal-State Aid		------	$596,136	$302,091
Total Budget	$1,948,603	$1,050,376	$596,136	$302,091

SOURCES OF FINANCING FOR COUNTY HIGHWAY PROGRAMS—1946-47
(Continued)

	Total	*County budgets 1946-47*	*County Highway Act of 1945*	*California Construction and Employment Act of 1946*
STANISLAUS COUNTY				
Gasoline Tax		$200,000		
Motor Vehicle Fees		50,000		
Motor Vehicle "In Lieu Tax"		------		
Forest Reserve Payments		------		
Fines		15,000		
Road District Tax		------		
Countywide Tax		------		
Other Revenues		------		
Cash Balance		517,179		
Federal-State Aid		------	$514,698	$369,648
Total Budget	$1,666,525	$782,179	$514,698	$369,648
SUTTER COUNTY				
Gasoline Tax		$88,000		
Motor Vehicle Fees		12,000		
Motor Vehicle "In Lieu Tax"		------		
Forest Reserve Payments		------		
Fines		2,000		
Road District Tax		97,365		
Countywide Tax		70,000		
Other Revenues		------		
Cash Balance		80,252		
Federal-State Aid		------	$185,613	$144,320
Total Budget	$679,550	$349,617	$185,613	$144,320
TEHAMA COUNTY				
Gasoline Tax		$70,000		
Motor Vehicle Fees		10,000		
Motor Vehicle "In Lieu Tax"		------		
Forest Reserve Payments		8,000		
Fines		4,000		
Road District Tax		20,344		
Countywide Tax		23,476		
Other Revenues		7,592		
Cash Balance		64,702		
Federal-State Aid		------	$299,242	$151,486
Total Budget	$658,842	$208,114	$299,242	$151,486
TRINITY COUNTY				
Gasoline Tax		$36,300		
Motor Vehicle Fees		1,600		
Motor Vehicle "In Lieu Tax"		------		
Forest Reserve Payments		2,250		
Fines		------		
Road District Tax		------		
Countywide Tax		13,540		
Other Revenues		1,000		
Cash Balance		27,445		
Federal-State Aid		------	$269,246	$63,168
Total Budget	$414,549	$82,135	$269,246	$63,168

SOURCES OF FINANCING FOR COUNTY HIGHWAY PROGRAMS—1946-47
(Continued)

	Total	*County budgets 1946-47*	*County Highway Act of 1945*	*California Construction and Employment Act of 1946*
TULARE COUNTY				
Gasoline Tax		$359,034		
Motor Vehicle Fees		80,735		
Motor Vehicle "In Lieu Tax"		------		
Forest Reserve Payments		4,150		
Fines		35,000		
Road District Tax		342,302		
Countywide Tax		------		
Other Revenues		2,350		
Cash Balance		351,527		
Federal-State Aid		------	$930,246	$656,159
Total Budget	$2,761,503	$1,175,098	$930,246	$656,159
TUOLUMNE COUNTY				
Gasoline Tax		$52,000		
Motor Vehicle Fees		6,280		
Motor Vehicle "In Lieu Tax"		------		
Forest Reserve Payments		4,200		
Fines		4,500		
Road District Tax		49,440		
Countywide Tax		19,272		
Other Revenues		------		
Cash Balance		66,727		
Federal-State Aid		------	$221,899	$74,711
Total Budget	$499,029	$202,419	$221,899	$74,711
VENTURA COUNTY				
Gasoline Tax		$210,173		
Motor Vehicle Fees		60,144		
Motor Vehicle "In Lieu Tax"		50,713		
Forest Reserve Payments		------		
Fines		71,820		
Road District Tax		------		
Countywide Tax		245,774		
Other Revenues		4,074		
Cash Balance		163,754		
Federal-State Aid		------	$402,056	$198,467
Total Budget	$1,406,975	$806,452	$402,056	$198,467
YOLO COUNTY				
Gasoline Tax		$121,519		
Motor Vehicle Fees		23,513		
Motor Vehicle "In Lieu Tax"		22,415		
Forest Reserve Payments		------		
Fines		10,000		
Road District Tax		81,479		
Countywide Tax		23,221		
Other Revenues		5,331		
Cash Balance		129,251		
Federal-State Aid		------	$225,616	$179,487
Total Budget	$821,850	$416,747	$225,616	$179,487

SOURCES OF FINANCING FOR COUNTY HIGHWAY PROGRAMS—1946-47
Continued

	Total	*County budgets 1946-47*	*County Highway Act of 1945*	*California Construction and Employment Act of 1946*
YUBA COUNTY				
Gasoline Tax		$83,053		
Motor Vehicle Fees		13,110		
Motor Vehicle "In Lieu Tax"		------		
Forest Reserve Payments		1,000		
Fines		6,000		
Road District Tax		67,181		
Countywide Tax		------		
Other Revenues		------		
Cash Balance		64,002		
Federal-State Aid		------	$149,472	$107,595
Total Budget	$491,413	$234,346	$149,472	$107,595
Grand Total	$94,942,199†	$54,789,667*	$25,550,916	$14,601,616

* Ch. 20, Stats. 1946 (1st Ex. Sess.)—Funds budgeted in counties have been deleted to avoid duplication.
† Highway bonds and interest excluded.

NOTE—In a number of counties it was impossible to segregate the fund balance from the tax levy. This would apply to those counties in which highways and bridges are supported from the salary fund and general fund, in particular.

CALIFORNIA TAXPAYERS' ASSOCIATION
March, 1947

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Mr. Beck and the Los Angeles Delegation, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Mr. and Mrs. Robert E. G. Harris of Los Angeles.

On request of Messrs. Geddes, Luckel and Mrs. Niehouse, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Miss Angil Fox of San Diego.

On request of Mr. Blosser and the San Francisco Delegation, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Sylvester L. Kelly, Mrs. Ella W. Ryan, and Miss Mary Arline Brady of San Francisco.

On request of Mr. Ralph C. Dills, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Mr. and Mrs. Henry Smidderks, Dean Smidderks, Dorine Smidderks of Los Angeles and Majel Bliss of Sacramento.

On request of Messrs. Robertson and Caldecott, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Lynn Waldorf and C. M. "Nibs" Price of Berkeley.

On request of Mr. Thompson, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to the following members of the Evergreen Senior Service Club of Santa Clara County: Mr. and Mrs. Alvin Mello, Mary Scholz, Mr. and Mrs. Tony Benassi, Mr. and Mrs. Manuel Casho, Phil Casho, Beverly Casho, Joe Quadros, Mary Louise Scerine, Lucien Gassman, Rose Gassman, Frank Gassman, Lucien Gassman, Jr., Mr. and Mrs. Jack Mirassou, Frank Corbal, Eloise Simpson, Mr. and Mrs. Joe Canciamilla, Mrs. P. L. Mirassou, Leona Renaud, Bill Renaud, Ida Maniglia, Mr. and Mrs. Dick Cambiano, Tony Costa, Mr. and Mrs. E. H. Weld, Mr. and Mrs. N. Mirassou, Mr. and Mrs. E. O. Mirassou, Mr. and Mrs. L. E. Laundrie, Mrs. C. Mercier, and Mrs. M. R. Jones.

On request of Mr. Crowley, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to following teachers of the Pacific Union College Academy of Angwin: Howard E. Metcalf, Fenton Hopp, Lyle McCoy, Willard Meier, and Loretta Fickess, and the following pupils: Dorothy Crisp, Jeanne Kittle, Barbara Babcock, Gerald Fuller, Joyce Long, Mr. Ratzloff, Dorothy Green, Justine Chittenden, Elaine Jenkins, Howard Anderson, Rosemary Anderson, Doreen Kitto, Leonard Taylor, Bill Penner, Thomas Watson, Glenn Zachary, Dale Beecham, John Sipkins, Phil Parks, Betty Jo Chapman, Warner Vitelli, Vera Benson, John Trummer, Roy Robinson, Vera Benson, Wilfred Wileman, Dick Techtmeyer, Robert Champion, Iva D. York, Carol Sevener, Joyce Plubell, Betty Lindstrom, Alia Cheddister, Colleen Keehnel, Gracie Brubaker, Doris Hansen, Ivalyn Traver, Barba Brauer, Lois Fuller, Joan Simpson, Violet Roth, Bernice Hichcock, Carol Danielson and Douglas Hunter, and Mr. and Mrs. Williams.

On request of Mr. Thurman, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to William White of Colfax.

On request of Mr. Sherwin and the Alameda County Delegation, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Claudius N. White of Alameda.

ADJOURNMENT

At 3 p.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11 a.m., Thursday, April 3, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

FORTY-SECOND LEGISLATIVE DAY
EIGHTY-FIRST CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Thursday, April 3, 1947

The Assembly met at 11 a.m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—75.

Quorum present.

PRAYER

Upon request of the Speaker, the following prayer was offered by Assemblyman Walter Hinton:

Almighty God, Father of All Mankind and Judge Over Nations, we thank Thee especially at this Easter Season for the peace that abides in our land and for Thy guidance in the hour of peril. We ask Thee to hasten the day when the peoples throughout the world shall travel in the paths of peace and labor for the broader benefit of all mankind. When Nation shall not lift up swords against Nation, neither shall they learn war any more, seeing Thy perfect image in their neighbors of every land. In Thy name we pray—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Hollibaugh, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following members were granted leaves of absence for the day, because of illness:

Mr. Cramer, on motion of Mr. Dickey.
Mr. Ralph C. Dills, on motion of Mr. Dickey.

The following members were granted leaves of absence for the day, because of legislative business elsewhere:

Mr. Rosenthal, on motion of Mr. Beck.

Mr. Lyons, on motion of Mr. Beck.

RESOLUTIONS

The following resolution was offered:

By Mr. Dickey:

House Resolution No. 39

Resolved, That the following named attache heretofore employed in the Assembly during this First Extraordinary Session of the Legislature be and he is hereby stricken from the pay roll upon completion of work on Saturday, March 29, 1947:

Journal Clerk, Albert Day---------- $7 00;

and be it further

Resolved, That the following named persons be and they are hereby appointed to the positions hereinafter set forth, with the compensation set opposite their names, payable weekly, and the Controller is hereby authorized and directed to draw his warrants in favor of the respective persons upon the proper fund for the said respective amounts, and the State Treasurer is hereby authorized and directed to pay the same; said compensation to be on a seven-day week basis:

Commencing Sunday, March 30, 1947:	*Per day*
Walter Feeley, Journal Clerk----------	$7 00
Florence Harvey, Assistant Journal Clerk----------	$7 00

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 39, at this time, without reference to committee or file.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Beck, Bennett, Berry, Blosser, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Crichton, Crowley, Debs, Dickey, Clayton A. Dills, Dolwig, Dunn, Field, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, James, Johnson, Kirkwood, Knight, Loomis, Luckel, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Thompson, Thorp, Waters, Weber, Wollenberg, and Mr. Speaker—60.

NOES—None.

REQUEST FOR UNANIMOUS CONSENT THAT CORRECTIONS BE PERMITTED IN TRANSCRIPTS

Mr. Hollibaugh asked for, and was granted, unanimous consent that the Minute Clerk be authorized to make corrections in transcripts, previously printed in the Journal, as taken in hearings before the Assembly Committee on Revenue and Taxation on the state highway program; and that names of witnesses misspelled by court reporters be corrected.

REQUEST FOR UNANIMOUS CONSENT THAT LETTER OF TRANSMITTAL AND REPORT BE PRINTED IN THE JOURNAL

Mr. Caldecott asked for unanimous consent that a letter of transmittal and a report from the County Supervisors Association of California, relative to estimated fund balances for county road purposes as of June 30, 1947, be ordered printed in the Journal.

Mr. Dickey withheld unanimous consent.

Request, letter of transmittal, and report ordered referred to the Committee on Rules.

NOTICE OF MOTION TO RECONSIDER ASSEMBLY BILL NO. 26 CONTINUED

Mr. Wollenberg asked for, and was granted, unanimous consent that his notice of motion to reconsider Assembly Bill No. 26 be continued until the next legislative day.

MOTION TO RECONSIDER AMENDMENT BY MR. ANDERSON TO SENATE BILL NO. 5

In compliance with a notice given on a previous day, Mr. Burns moved that the vote whereby the amendment by Mr. Anderson to Senate Bill No. 5 was adopted be reconsidered.

Amendment No. 8 to Senate Bill No. 5 Offered by Mr. Anderson

Amendment No. 8

On page 14 of the printed bill, as amended, strike out lines 30 to 33, inclusive; and in line 34, strike out "and expended in County Group No. 2", and insert "in each county group in the proportion that the registration of vehicles in such county group bears to the total number of vehicles registered in this State".

Amendment read.

Demand for Previous Question

Messrs. Robertson, James, Hahn, Silliman, and Cooke demanded the previous question.

Demand for previous question sustained.

The question being on the motion by Mr. Burns that the vote whereby the amendment offered by Mr. Anderson to Senate Bill No. 5 was adopted be reconsidered.

The roll was called.

Call of the Assembly

Pending the announcement of the vote, Mr. Burns moved a call of the Assembly.

Motion carried. Time, 12.05 p.m.

The Speaker directed the Sergeant-at-Arms to close the doors, and to bring in the following absent members:

Cramer, Lester T. Davis, Ralph C. Dills, Fletcher, Lyons, Rosenthal, and Thurman—7.

PROCEEDINGS UNDER CALL OF THE ASSEMBLY BY UNANIMOUS CONSENT

TEMPORARY SUSPENSION OF ASSEMBLY RULE NO. 85

Mr. O'Day asked for, and was granted, unanimous consent that Assembly Rule No. 85 be temporarily suspended for the purpose of placing a call of the Assembly on any matter on file.

CONSIDERATION OF DAILY FILE THIRD READING OF SENATE BILLS

Senate Bill No. 5—An act to provide for a System of Public Streets and Highways in this State and for the financial support thereof, including the levying of taxes therefor, and relating to vehicles thereon and for that purpose to repeal Article 2 of Chapter 2 of Division 1 and Sections 1028, 1029, 188, 190, 191, 203, 232, 1021, 1022, 1023, 1024, 1621, 1625.5, 1626, 1626.5, 1627, and 1628 of, to amend Sections 181, 189, 193, 194, 195, 300, and 1622 of, and to add Division 3, Article 2 of Chapter 2 of Division 1, and Sections 29, 74, 188, 188.2, and 188.4 to, the Streets and Highways Code, to repeal Sections 276.5, 779, 780, and 782, and 142, to amend Sections 276, 277, 370, 372, 381, and 781 of, and to add

Section 372.2 to, the Vehicle Code, and to repeal Part 4, comprising Sections 9601 to 10501, inclusive, of Division 2 and Sections 8353, 8353.5, 8354, 8355, 8356, 8357, and 8358 of, to amend Sections 7351, 8352, 8651, 9302, 9303, and 9304 of, and to add Section 8353 to, the Revenue and Taxation Code, and to amend Section 7 of Chapter 788 of the Statutes of 1937.

Bill read third time.

Motion to Amend

Mr. Knight moved the adoption of the following amendment:

Amendment No. 14

On page 23 of the printed bill, as amended in the Assembly on April 2, 1947, between lines 35 and 36, insert

"SEC. 37.5. Section 372.2 is added to said code, to read:

372.2. Property Carrier Weight Fees. (a) In addition to all other fees payable for registration there shall be paid fees as set forth in this section for the registration of every vehicle of a type subject to registration used or maintained for the transportation of property for hire, compensation or profit under a certificate of public convenience and necessity or a permit issued by the Public Utilities Commission, other than such vehicles as are operated exclusively within incorporated cities and towns where no portion of public highway outside of the corporate limits of said cities or towns is traversed in said operation.

(b) For any motor vehicle having not more than two axles and used or maintained as set forth in subdivision (a) of this section, fees shall be paid for registration according to the following schedule:

	Unladen Weight	*Fee*
(1)	3,000 lbs. to and including 4,000 lbs.	$5.00
(2)	4,001 lbs. to and including 5,000 lbs	10.00
(3)	5,001 lbs. to and including 6,000 lbs	15.00
(4)	6,001 lbs. to and including 7,000 lbs.	20.00
(5)	7,001 lbs. to and including 8,000 lbs.	25.00
(6)	8,001 lbs. to and including 9,000 lbs.	30.00
(7)	9,001 lbs. to and including 10,000 lbs.	35.00
(8)	10,001 lbs. to and including 11,000 lbs	40.00
(9)	11,001 lbs. to and including 12,000 lbs.	45.00
(10)	12,001 lbs. to and including 13,000 lbs.	50.00
(11)	13,001 lbs. to and including 14,000 lbs.	55.00
(12)	14,001 lbs. and over	60.00

(c) For any motor vehicle having three or more axles and for any trailer or semitrailer, used or maintained as set forth in subdivision (a) of this section, fees shall be paid for registration according to the following schedule:

	Unladen Weight	*Fee*
(1)	2,000 lbs. to and including 3,000 lbs	$4.00
(2)	3,001 lbs. to and including 4,000 lbs.	7.50
(3)	4,001 lbs. to and including 5,000 lbs.	15.00
(4)	5,001 lbs. to and including 6,000 lbs.	22.50
(5)	6,001 lbs. to and including 7,000 lbs.	30.00
(6)	7,001 lbs. to and including 8,000 lbs.	37.50
(7)	8,001 lbs. to and including 9,000 lbs.	45.00
(8)	9,001 lbs. to and including 10,000 lbs.	52.50
(9)	10,001 lbs. to and including 11,000 lbs	60.00
(10)	11,001 lbs. to and including 12,000 lbs.	67.50
(11)	12,001 lbs. to and including 13,000 lbs.	75.00
(12)	13,001 lbs. to and including 14,000 lbs.	82.50
(13)	14,001 lbs. to and including 15,000 lbs	90.00
(14)	15,001 lbs. and over	100.00

This section shall be subject to Sections 372.3, 372.5, and 373 to the same extent as Section 372 is subject to those sections."

Amendment read.

Point of Order

Mr. Cooke arose to the following point of order: That speakers are speaking overtime on the subject.

Ruling by Speaker

Speaker Collins ruled the point of order well taken.

The question being on the adoption of Amendment No. 14, offered by Mr. Knight to Senate Bill No. 5.

The roll was called, and the amendment refused adoption by the following vote:

AYES—Boyd, Burns, Caldecott, Carey, Clarke, Conrad, Lester T. Davis, M. Philip Davis, Debs, Dolwig, Grunsky, Hinckley, Hinton, Johnson, Kirkwood, Knight, Loomis, Miller, Sheridan, Sherwin, Stanley, Thorp, Thurman, and Wollenberg—24.

NOES—Allen, Anderson, Bennett, Berry, Blosser, Brady, Brown, Burke, Butters, Collier, George D. Collins, Cooke, Crichton, Crowley, Dickey, Clayton A. Dills, Doyle, Dunn, Erwin, Evans, Field, Gaffney, Gannon, Geddes, Grant, Hahn, Hawkins, Heisinger, Hollibaugh, Huyck, James, Kilpatrick, Lowrey, Luckel, Maloney, McCollister, McMillan, O'Day, Robertson, Silliman, Stephenson, Thomas, Thompson, Waters, and Weber—45.

EXPLANATION OF VOTE ON AMENDMENT NO. 14 TO SENATE BILL NO. 5

When the Speaker of the Assembly called for a vote on Amendment No. 14, I was on my way to answer a phone call.

I rushed back to my desk and pushed my button thinking I was voting "no." However, in error I voted "aye," when I intended to vote "no."

BERT W. LOOMIS

FURTHER PROCEEDINGS UNDER CALL OF THE ASSEMBLY DISPENSED WITH ON ANDERSON AMENDMENT TO SENATE BILL NO. 5

At 12.43 p.m., on motion of Mr. Burns, further proceedings under the call of the Assembly were dispensed with.

The names of the absentees were called, and the motion by Mr. Burns to reconsider the vote whereby the amendment offered by Mr. Anderson to Senate Bill No. 5 was adopted, lost by the following vote:

AYES—Berry, Blosser, Brady, Brown, Burns, Caldecott, Carey, Clarke, George D. Collins, Crichton, Crowley, Lester T. Davis, Dickey, Dolwig, Dunn, Gaffney, Gannon, Grunsky, Heisinger, James, Johnson, Kirkwood, Loomis, Lowrey, Maloney, McCollister, Miller, O'Day, Robertson, Sheridan, Sherwin, Silliman, Stephenson, Thomas, Thompson, Thorp, Thurman, Weber, and Wollenberg—39.

NOES—Allen, Anderson, Beck, Bennett, Boyd, Burke, Butters, Collier, Conrad, Cooke, M. Philip Davis, Debs, Clayton A. Dills, Doyle, Erwin, Evans, Field, Geddes, Grant, Hahn, Hawkins, Hinckley, Hinton, Hollibaugh, Huyck, Kilpatrick, Knight, Luckel, McMillan, Niehouse, Price, Stanley, Stewart, and Waters—34.

Senate Bill No. 5 ordered reprinted, and to third reading.

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Mr. O'Day and the San Francisco Delegation, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to James G. Smythe of San Francisco.

On request of Mr. McMillan and the Los Angeles Delegation, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Carl Greenberg of Los Angeles.

On request of Mr. Cooke, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Eugene Kimball and son, Charles Kimball, of Santa Paula.

ADJOURNMENT

At 12.45 p.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 9 a.m., Friday, April 4, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

FORTY-THIRD LEGISLATIVE DAY
EIGHTY-SECOND CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Friday, April 4, 1947

The Assembly met at 9 a.m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Clarke, Collier, George D Collins, Conrad, Cooke, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Sheridan, Sherwin, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—72.

Quorum present.

PRAYER

Upon request of the Speaker, the following prayer was offered by Assemblyman Walter Hinton:

Our Father, we come before Thee on this Good Friday morning, thankful for all of the benefits and privileges of American citizenship as we know them. We pray Thy blessing upon all of those men and women throughout our State and Nation who serve the people and guard the public welfare. May they walk in justice before Thee; may their acts redound to the broader benefit of all of our people; in Thy name we pray—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Hinckley, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. Cramer, on motion of Mr. Ralph C. Dills.

The following members were granted leaves of absence for the day, because of legislative business elsewhere:

Mr. Lyons, on motion of Mr. Dickey.
Mr. Rosenthal, on motion of Mr. Evans.
Mr. Silliman, on motion of Mr. James.

The following members were granted leaves of absence for the day, and desired to waive their per diems:

Mr. Stanley, on motion of Mr. Waters.
Mr. Fletcher, on motion of Mr. McMillan.

ALL MATTERS ON FILE CONTINUED BY UNANIMOUS CONSENT

By unanimous consent, all matters on file will be continued until the next legislative day.

REQUEST FOR UNANIMOUS CONSENT THAT ALL PROPOSED AMENDMENTS TO SENATE BILL NO. 5 NOW AT THE DESK BE PRINTED IN THE JOURNAL

Messrs. Boyd and Dickey asked for, and were granted, unanimous consent that all proposed amendments to Senate Bill No. 5, now at the desk, and which are awaiting consideration, be ordered printed in the Journal today.

PROPOSED AMENDMENTS TO SENATE BILL NO. 5

Proposed Amendments to Senate Bill No. 5 by Mr. Knight

Amendment No. 1

In lines 13 and 14 of the title of the printed bill, as amended in the Assembly on April 2, 1947, strike out "Part 4, comprising Sections 9601 to 10501, inclusive, of Division 2 and ".

Amendment No. 2

In line 15 of the title of said bill, strike out "and 8358", and insert "8358, and 9603.6".

Amendment No. 3

In line 16 of the title of said bill, strike out "and 9304 of, and to"; and strike out line 17 of the title, and insert "9304, 9603, 9605, 9606, 9701, 9703, 10501, and 10452 of, and to add Sections 8353 and 10456 to, the Revenue and Taxation Code, and".

PRINTER'S NOTE—There being no 7-point strikeout type available, the material which should appear in strikeout type in the following amendments is indicated by being enclosed within brackets.

Amendment No. 4

On page 22 of said bill, strike out lines 13 to 19, inclusive, and insert

"SEC. 36 Section 9603 of the Revenue and Taxation Code is amended to read:

9603. "Operator" includes:

(a) Any person engaging in the transportation of persons [or property] *and in the transportation of baggage incidental to the transportation of such persons* for hire or compensation by or upon a motor vehicle upon any public highway in this State, either directly or indirectly.

(b) Any person who furnishes any motor vehicle for the transportation of persons [or property] *and in the transportation of baggage incidental to the transportation of such persons* under a lease or rental agreement when pursuant to the terms thereof the person operates the motor vehicle furnished or exercises any control of, or assumes any responsibility for, or engages either in whole or in part in, the transportation of persons [or property] *and in the transportation of baggage incidental to the transportation of such persons* in the motor vehicle furnished.

"Operator" does not include any of the following:

(a) [Any person transporting his own property in a motor vehicle owned or operated by him unless he makes a specific charge for the transportation. This subdivision does not in any way limit any other exemption granted by this section.

(b)] Any farmer, resident of this State, [who occasionally transports property for other farmers, or who transports his own farm products, or] who transports laborers to and from farm work incidentally in his farming operations.

[(c) Any nonprofit agricultural cooperative association, organized and acting within the scope of its powers under Chapter 4 of Division 6 of the Agricultural Code, to the extent only that it is engaged in the transporting of its own property or the property of its members.

(d)] *(b)* Any person whose sole transportation of persons [or property] *and transportation of baggage incidental to the transportation of such persons* for hire or compensation consists of the transportation of children to or from any public school and whose total compensation from all sources for providing such transportation does not exceed fifty dollars ($50) in any calendar month.

[(e)] *(c)* Any person engaged in the business of operating a hearse or other vehicle in a procession to a burial ground or place of interment and from the burial ground or place of interment to a garage or place of storage.

[(f)] *(d)* Any registered owner of a pleasure vehicle who, while operating the vehicle, transports persons to his work or to a place through which he passes on the way to his work, whether for or without compensation, if he is not in the business of furnishing such transportation.

SEC. 36 1. Section 9603.6 of said code is repealed.

SEC. 36.2. Section 9605 of said code is amended to read:

9605. "Motor vehicle" includes any automobile, truck, tractor, or other self-propelled vehicle used for the transportation of persons [or property] *and the transportation of baggage incidental to the transportation of such persons* upon the public highways, otherwise than upon fixed rails or tracks, and any trailer, semitrailer, dolly, or other vehicle drawn thereby, not exempt from registration fees under the laws of this State.

SEC. 36.3. Section 9606 of said code is amended to read:

9606. "Gross receipts" include all receipts from the operation of motor vehicles *in the transportation of persons and in the transportation of baggage incidental to the transportation of such persons* entirely within this State and a proportion, based upon the proportion of the mileage within this State to the entire mileage over which such operations extend, of the receipts from the operation of motor vehicles passing through, into, or out of this State, or partly within and partly without this State. "Gross receipts" as applied in connection with operations under lease or rental agreements include such amounts as the board under such rules and regulations as it may prescribe determines to be reasonable compensation for the transportation services rendered by the operator.

["Gross receipts" do not include revenue derived by an express company from the shipment of property over the lines of common carriers, but do include revenue derived by an express company from the transportation of property in motor vehicles operated by it.]

SEC. 36.4. Section 9701 of said code is amended to read:

9701. Every operator of a motor vehicle within this State who transports or desires to transport for compensation or hire persons [or property] *and to transport baggage incidental to the transportation of such persons* upon any public highway within this State shall apply to the board, on such forms as the board may prescribe, for a license to operate motor vehicles for the transportation of persons [or property] *and the transportation of baggage incidental to the transportation of such persons* for hire or compensation upon public highways in this State.

SEC. 36.5. Section 9703 of said code is amended to read:

9703. Upon receipt of the application, accompanied by the required fee, the board shall issue to the applicant a license to transport for compensation or hire persons [or property] *and to transport baggage incidental to the transportation of such persons* upon any public highway within this State. The board may refuse to issue a license to any person to whom a license was previously issued and subsequently revoked for a violation of this part.

SEC. 36.6. Section 10501 of said code is amended to read:

10501. It is unlawful for any person to do any of the following:

(a) Use any public highway in this State for the transportation of persons [or property] for hire or compensation without first obtaining the license required under this part or without carrying upon each motor vehicle so used the number plates or emblems required under this part.

(b) Fail, neglect, or refuse to make any return required under this part or any report required by the board or make any false return.

(c) Refuse to permit the board or any of its representatives to make any examination which the board may make.

(d) Fail to keep records of gross receipts from operations as the board may prescribe.

(e) Violate any other provision of this part.

Any person who violates any provision of this section is guilty of a misdemeanor, unless the act is by any other law of this State declared to be a felony.

SEC. 36.7. Section 10452 of said code is amended to read:

10452. All money in the Motor Vehicle Transportation Tax Fund, unless otherwise appropriated, shall, upon order of the Controller, be drawn therefrom for the

purpose of making refunds under this part or be transferred to the [General] *Highway Users Tax* Fund [of the State].

SEC. 36.8. Section 10456 is added to said code, to read:

10456. The Controller shall make the transfers to the Highway Users Tax Fund at the same time as transfers to said fund of moneys received under the Motor Vehicle Fuel License Tax Law are made."

Amendment No. 5

On page 23, line 36, of said bill, after "36," insert "36.1, 36.2, 36.3, 36.4, 36.5, 36.6, 36.7, 36.8,".

Amendment No. 6

On page 24 of said bill, strike out lines 16 to 27, inclusive.

Proposed Amendments to Senate Bill No. 5 by Mr. Ralph C. Dills

Amendment No. 1

In line 7 of the title of the printed bill, as amended in the Assembly April 3, 1947, after the second comma, insert "183,".

Amendment No. 2

In line 9 of the title of said bill, after the third comma, insert "80, 81,".

Amendment No. 3

On page 14 of said bill, after line 21, insert

"SEC. 3.3. Section 80 is added to the Streets and Highways Code, to read:

80. The commission shall once each year, in even numbered years before the thirty-first day of March and in odd numbered years before the fifteenth day of January, submit to the Governor a report and proposed budget, including estimated costs of maintenance and construction of state highways and recommendations for the ensuing year, for inclusion in the Budget Bill of an item of appropriation for state highways.

SEC. 3.5. Section 81 is added to said code, to read:

81. The commission shall budget all expenditures authorized for highway purposes, and shall submit once each year, in even numbered years before the thirty-first day of March and in odd numbered years before the fifteenth day of January, to the Legislature at its regular general or budget session, a report and proposed budget including all proposed expenditures for maintenance and construction for the ensuing year. After the first proposed budget has been submitted as provided herein there shall be included in such report a statement of reasons for increases or other changes in the budget of the year immediately preceding.

SEC. 3.7. Section 183 of said code is amended to read:

183. With the exception of money authorized by law to be deposited in the State Highway General Fund, all money available for the acquisition of real property or interests therein for state highways, or for the construction, maintenance or improvement of state highways or highways in state parks shall be deposited in the State Highway Fund. The moneys in said fund [are] *when specifically* appropriated [and] *by the Legislature* shall be allocated and expended for the purposes and in the manner provided in this code *except to the extent otherwise provided by the Legislature*."

Proposed Amendments to Senate Bill No. 5 by Mr. Heisinger

Amendment No. 1

On page 20 of the printed bill, as amended in the Assembly on March 31, 1947, lines 32 and 36, strike out "six dollars ($6)", and insert "three dollars ($3)".

Amendment No. 2

On page 21 of the printed bill, strike out lines 44 to 51, inclusive; and on page 22, strike out line 1, and including the balance of said sentence in line 2, and insert "application for an operator's or chauffeur's license, or renewal thereof, there shall be paid to the department a fee of two dollars ($2). The surrender of a valid operator's license shall entitle a qualified person to receive a chauffeur's license upon application for the unexpired period of said operator's license without additional fee or cost."

Proposed Amendments to Senate Bill No. 5 by Messrs. Maloney and Miller

Amendment No. 1

On page 21 of the printed bill, as amended in the Assembly, on March 31, 1947, after the end of the sentence, strike out lines 48, 49, 50, and 51, and lines 1 to 9, inclusive, on page 22, and insert "application for an operator's or chauffeur's license, or

renewal thereof, there shall be paid to the department a fee of two dollars ($2). The surrender of a valid operator's license shall entitle a qualified person to receive a chauffeur's license upon application for the unexpired period of said operator's license without additional fee or cost."

Proposed Amendments to Senate Bill No. 5 by Messrs. Maloney and Miller

Amendment No. 1

On page 21 of the printed bill, in line 30, as amended in the Senate, March 10, 1947, strike out "three", and insert "four".

Amendment No. 2

On page 21, line 33, of said printed bill, strike out "three", and insert "four".

Amendment No. 3

On page 21, line 39, of said printed bill, strike out "three", and insert "four".

Amendment No. 4

On page 21, line 45, of said printed bill, strike out "four", and insert "five".

Proposed Amendments to Senate Bill No. 5 by Mr. George D. Collins

Amendment No. 1

In line 17 of the title of the printed bill, as amended in the Senate, March 10, 1947, after "inclusive", insert "and Part 15, comprising Sections 27000 to 27033, inclusive,".

Amendment No. 2

On page 38 of said bill, between lines 10 and 11, insert

"SEC. 37.7. Part 15, comprising Sections 27000 to 27033, inclusive, is added to Division 2 of the Revenue and Taxation Code, to read as follows:

PART 15. SEVERANCE TAX

CHAPTER 1. GENERAL PROVISIONS AND DEFINITIONS

27000. This part shall be known and may be cited as the "Severance Tax Act of 1947."

27001. The following words, terms and phrases when used in this act have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

(a) "Person" means any individual, firm, copartnership, joint adventure, association, corporation, estate, trust, business trust, receiver, syndicate, this State, any county, city and county, municipality, district or other political subdivision thereof, or any other group or combination acting as a unit, and the plural as well as the singular number

(b) "Producer" means every person engaged in severing petroleum, natural gas or natural gasoline from the earth, whether as owner, lessee or otherwise.

(c) "Severing" means extracting, separating, detaching, producing, removing or in any manner gathering petroleum, natural gas or natural gasoline from the earth.

(d) "Board" means the State Board of Equalization

(e) "In this State" means within the exterior limits of the State of California and includes all territory within such limits owned by or ceded to the United States of America.

(f) "Owner" means any person, including a lessor, having any interest in petroleum, natural gas or natural gasoline at the time of the severance thereof from the earth, which interest entitles such person to a fixed or determinable share in the amount of such petroleum, natural gas or natural gasoline, or the value thereof.

CHAPTER 2 IMPOSITION OF TAX

27003. From and after July 1, 1947, for the privilege of severing petroleum, natural gas or natural gasoline from the earth an excise tax, predicated upon the quantities severed from the earth in this State, is hereby imposed upon owners at the following rates:

Petroleum of below 15° gravity A. P. I, fourteen (14) cents per barrel of 42 gallons.

Petroleum of 15° gravity A P I up to but not including 19° gravity A. P. I., fifteen (15) cents per barrel of 42 gallons

Petroleum of 19° gravity A P. I up to but not including 23° gravity A. P. I., sixteen (16) cents per barrel of 42 gallons.

Petroleum of 23° gravity A. P. I. up to but not including 28° gravity A. P. I., nineteen (19) cents per barrel of 42 gallons.

Petroleum of 28° gravity A P. I. up to but not including 34° gravity A. P. I, twenty-two (22) cents per barrel of 42 gallons.

Petroleum of 34° gravity A. P. I. and above, twenty-seven cents ($0.27) per barrel of 42 gallons.

Natural gas, one and two-tenths (1.2) cents per 1,000 cubic feet; provided, however, that there shall be deducted from the amount of natural gas severed from the earth by a producer the amount thereof returned to the earth by such producer for repressuring purposes.

Natural gasoline, one and two-tenths (1.2) cents per gallon.

27004. The tax herein imposed shall be paid at the time and in the manner hereinafter provided and shall be in addition to any and all other taxes.

27005. The producer shall collect or withhold from the owners the proportionate parts of the total tax due from the respective owners with respect to the petroleum, natural gas or natural gasoline severed from the earth by such producer. The total amount of the tax due with respect to the petroleum, natural gas or natural gasoline severed from the earth by a producer shall be due and payable monthly by the producer on or before the twentieth day of the month following each calendar month.

27006. Each producer shall, on or before the twentieth day of August, 1947, and on or before the twentieth day of each and every month thereafter, file with the board on forms prescribed by it a return showing the amount of petroleum, natural gas and natural gasoline severed from the earth during the preceding calendar month and such other information as the board may deem necessary for the administration of the tax. The producer shall transmit with each such return a remittance payable to the board for the amount of tax due hereunder. If the board deems it necessary in order to insure the payment of the tax herein imposed, it may require returns and payment of the tax to be made for other than monthly periods.

27007. The board for good cause may extend for not to exceed 30 days the time for making any return required herein.

27008. Any person failing to pay any tax, except taxes assessed by the board under the provisions of Sections 27015 and 27016 hereof, within the time required by this act shall pay in addition to the tax a penalty of 10 percent of the amount thereof and interest thereon at the rate of one-half of 1 percent a month, or fraction thereof, from the date at which the tax became due and payable until the date of payment.

CHAPTER 3 ADMINISTRATION

Article 1. Issuance of Permits

27010. It shall be unlawful after July 1, 1947, for any person to act as a producer in this State without first securing a permit as prescribed herein. An application for such permit must be made to the board upon a form prescribed by the board. The application shall be signed by the owner if a natural person; in the case of an association or partnership, by a member or partner thereof and in the case of a corporation, by an executive officer thereof or some person specifically authorized by the corporation to sign the application, to which shall be attached the written evidence of his authority. Any person who acts as a producer in this State without a permit, or after a permit has been suspended or revoked, and the officers of any corporation which so acts as a producer, shall be guilty of a misdemeanor.

27011. At the time of making an application for a permit, the applicant shall pay to the board a permit fee of five dollars ($5). A producer need obtain only one permit.

27012. Upon the payment of such permit fee and compliance with other requirements imposed herein, the board shall issue to each applicant a permit to act as a producer. A permit is not assignable and shall be valid only for the person in whose name it is issued.

27013. Permits issued under the provisions of this part shall be valid and effective without further payment of fees until suspended or revoked by the board. A fee of five dollars ($5) shall be collected by the board for the renewal or issuance of a permit to a producer whose permit has been previously suspended or revoked.

27014. Whenever the holder of a permit fails to comply with any provision of this part or any rule or regulation of the board prescribed and adopted under this act, the board upon hearing after giving 10 days' notice in writing of the time and place of the hearing to show cause why his permit should not be revoked, may revoke or suspend the permit.

Article 2. Assessments and Penalties

27015 If the board is not satisfied with the return filed or amount of tax paid by any producer, it is hereby authorized and empowered to make an additional assessment of tax due from such producer based upon any information available to it. All additional assessments shall bear interest at the rate of one-half of 1 percent a month, or fraction thereof, from the twentieth day after the close of the month or months, as the case may be, for which the additional assessment is imposed until the date of payment. If any part of the deficiency for which the additional assessment is imposed is due to negligence or intentional disregard of this part or authorized rules and regulations, a penalty of 10 percent of the amount of the additional assessment shall be added thereto. If any part of the deficiency for which the additional assessment is imposed is due to fraud or an intent to evade the tax, a penalty of 25 percent of

the amount of the additional assessment shall be added thereto. The board shall give to the producer written notice of such additional assessment. Such notice may be served upon the producer personally or by mail; if by mail, service shall be made in the manner prescribed by Section 1013 of the Code of Civil Procedure and addressed to the producer at his address as the same appears in the records of the board.

27016. If a producer neglects or refuses to make a return as required herein, the board shall make an estimate based upon any information available to it of the amount of the petroleum, natural gas and natural gasoline produced by such producer during the month or months in respect to which he failed to make a return, and upon the basis of said estimate compute and assess the tax payable by the producer, adding to the sum thus arrived at a penalty equal to 10 percent thereof. All such assessments shall bear interest at the rate of one-half of 1 percent a month, or fraction thereof, from the twentieth day after the close of the month or months, as the case may be, for which such assessments are imposed until the date of payment. If the neglect or refusal of a producer to file a return as required by this act was due to fraud or an intent to evade the tax, there shall be added to the tax a penalty equal to 25 percent thereof in addition to the 10 percent penalty as above provided. Promptly thereafter the board shall give to the producer written notice of such estimate, tax and penalty, the notice to be served personally or by mail in the same manner as prescribed for service of notice by the provisions of Section 27015 hereof.

27017. If the board determines that the collection of any tax or assessment imposed by or under this part will be jeopardized by delay, it shall thereupon make an assessment of such tax, noting its determination thereon, and the amount of such assessment shall be immediately due and payable. If the amount of the tax, interest and penalty specified in the jeopardy assessment is not paid within 10 days after the service upon the producer of notice of the assessment, such assessment becomes final at the expiration of such 10 days, unless a petition for reassessment is filed within such 10 days, and the delinquency penalty and interest provided in Section 27008 hereof shall attach to the amount of the tax specified therein.

The producer against whom a jeopardy assessment is levied hereunder may petition for the reassessment thereof pursuant to Section 27018 hereof; provided, however, that such petition for reassessment must be filed with the board within 10 days after the service upon the producer of notice of the assessment; and provided further, that the producer must within said 10-day period deposit with the board such security as it may deem necessary to insure compliance with the provisions of this part. Such security may be sold by the board in the manner prescribed by Section 27022 hereof.

27018. Any producer against whom an assessment is made by the board under the provisions of Section 27015 or 27016 hereof may petition for a reassessment thereof within 30 days after service upon the producer of notice thereof. If a petition for reassessment is not filed within said 30-day period, the amount of the assessment becomes final at the expiration thereof.

If a petition for reassessment is filed within said 30-day period, the board shall reconsider the assessment and, if the producer has so requested in his petition, shall grant said producer an oral hearing before the board and shall give the producer 10 days' notice of the time and place thereof. The board shall have power to continue the hearing from time to time as may be necessary. The order or decision of the board upon a petition for reassessment shall become final 30 days after service upon the producer of notice thereof.

All assessments made by the board under the provisions of Section 27015 or 27016 hereof shall become due and payable at the time they become final and if not paid when due and payable there shall be added thereto a penalty of 10 percent of the amount of the tax. Any notice required by this section shall be served personally or by mail in the same manner as prescribed for service of notice by the provisions of Section 27015 hereof.

27019. Except in the case of a fraudulent return, or neglect or refusal to make a return, every notice of additional tax proposed to be assessed hereunder shall be mailed to the producer within three years after the return was filed.

Article 3. Refunds

27020. If the board determines that any amount has been paid hereunder contrary to law, the board shall set forth that fact in its records and shall certify to the State Board of Control the amount collected in excess of what was legally due, from whom it was collected, or by whom paid, and if approved by that board the same shall be credited on any taxes then due from the producer under this act and the balance shall be refunded to the producer, or his successors, administrators, executors or assigns, but no such credit or refund shall be allowed unless a claim therefor is filed with the State Board of Equalization within three years from the date of the over-payment. Such claim must be in writing and state the specific grounds on which it is founded.

Any refund or any portion thereof which is erroneously made and any credit or any portion thereof which is erroneously allowed may be recovered in an action brought by the State Board of Equalization in a court of competent jurisdiction in

the County of Sacramento, in the name of the people of the State of California and such action shall be tried in the County of Sacramento unless the court, with the consent of the Attorney General, orders a change of place of trial. The Attorney General must prosecute such action, and the provisions of the Code of Civil Procedure relating to service of summons, pleadings, proofs, trials and appeals are applicable to the proceedings herein provided for.

In the event that a tax has been illegally assessed against a producer the board shall certify such fact to the State Board of Control and, if the State Board of Control approves, it shall authorize the cancellation of the tax upon the records of the board.

Article 4. Liens

27021. In any case in which any tax, interest, or penalty imposed by this part is not paid when due or in any case where an assessment is made under the provisions of Sections 27015, 27016 or 27017 of this act, then in either event, the board may file for record in any county a certificate giving the name of the producer and the amount of taxes, interest and penalties due or specified in the assessment as the case may be. From the time of the recording of any such certificate the amount of the tax, interest and penalties therein set forth shall constitute a lien upon any real property then owned or thereafter acquired by the producer named in such certificate located in the county in which said certificate is recorded, which lien shall have the same force, effect and priority as a lien created by the recording of an abstract of judgment under Section 674 of the Code of Civil Procedure. Said lien shall continue, however, for five years or until the tax is paid, the property sold for the nonpayment thereof or until the lien is released or otherwise extinguished. The board may at any time release all or any portion of the property subject to said lien, from such lien or subordinate such lien to other liens or interests, if it determines that the tax, interest and penalties are sufficiently secured by a lien on other property or that the release or subordination of the lien will not endanger or jeopardize the collection of the tax, interest or penalties. A certificate by the board to the effect that any property has been released from any lien herein provided for or that such lien has been subordinated to other liens or interest, shall be conclusive evidence that the property has been released or that the lien has been subordinated as provided in the certificate.

27022. The board may require any person subject to the tax herein imposed to deposit with it such security as it may deem necessary to insure compliance with the provisions hereof. Such security may be sold by the board at public sale if it becomes necessary so to do in order to recover any tax, interest or penalty due. Notice of such sale may be served upon the person who deposited such security personally or by mail; if by mail, service shall be made in the manner prescribed by Section 1013 of the Code of Civil Procedure and addressed to the person at his address as the same appears in the records of the board. Upon any such sale, the surplus, if any, above the amounts due under this act shall be returned to the person who deposited the security.

27023. In the event that any producer is delinquent in the payment of the tax, interest or penalty imposed herein, the board may give notice of the amount of such delinquency by registered mail to all persons having in their possession, or under their control, any credits or other personal property belonging to such producer, or owing any debts to such producer at the time of receipt by them of such notice and thereafter any person so notified shall neither transfer nor make any other disposition of such credits, other personal property or debts until the board shall have consented to a transfer or disposition or until 20 days shall have elapsed from and after the receipt of such notice. All persons so notified must, within five days after receipt of such notice, advise the board of any and all such credits, other personal property or debts, in their possession, under their control or owing by them, as the case may be.

27024. At any time within three years after the delinquency of any tax, interest or penalty, the board may bring an action in a court of competent jurisdiction in the name of the people of the State of California to collect the amount delinquent. The Attorney General shall prosecute such action and the provisions of the Code of Civil Procedure relating to service of summons, pleadings, proofs, trials and appeals are applicable to the proceedings herein provided for. In such an action a writ of attachment may issue, and no bond or affidavit previous to the issuing of said attachment is required. In such action a certificate by the board showing the delinquency shall be prima facie evidence of the levy and assessment of the tax in the amount specified therein, of the delinquency of the amount of tax, interest and penalty and of compliance by the board with all the provisions of this act in relation to the computation, assessment and levy of such amount of tax, interest and penalty.

27025. At any time within three years after any producer is delinquent in the payment of the tax herein provided for, the board may proceed forthwith to collect the tax due from the producer in the following manner: The board shall seize any property, real or personal, subject to the lien herein provided and thereafter sell at public auction such property so seized, or a sufficient portion thereof, to pay the tax, interest and penalties due hereunder and any and all costs that may have been incurred on account of such seizure and sale. Notice of such intended sale and the time and place thereof, shall be given to such delinquent producer in writing at least 10 days before the date set for such sale by enclosing a form of such notice in an envelope addressed to said producer at his last-known place of business in this State, if any,

and depositing the same in the United States mail, postage prepaid, and by publication for at least 10 days before the date set for such sale in a newspaper of general circulation published in the county or city and county in which the property seized is to be sold, provided, however, that if there be no newspaper of general circulation in such county or city and county, then by the posting of such notice in three public places in such county or city and county for said 10-day period. The said notice shall contain a description of the property to be sold, together with a statement of the amount of the taxes, interest, penalties and cost, the name of the producer, and the further statement that, unless such taxes, interest, penalties and costs are paid on or before the time fixed in said notice for such sale, said property, or so much thereof as may be necessary, will be sold in accordance with law and said notice.

At any such sale, the property shall be sold by the board or its duly authorized agent in accordance with law and said notice, and the board shall deliver to the purchaser a bill of sale for the personal property, and a deed for any real property so sold, and such bill of sale or deed shall vest title in the purchaser. The unsold portion of any property so seized may be left at the place of sale at the risk of the producer. If, upon any such sale, the moneys so received shall exceed the amount of all license taxes, interest, penalties and costs due the State from such producer, such excess shall be returned to the producer, and his receipt therefor obtained. If, for any reason, the receipts of such producer shall not be available, the board shall deposit such excess moneys with the State Treasury as trustee for such owner, subject to the order of such producer, his heirs, successors or assigns

27026. It is hereby expressly provided that the foregoing remedies of the State shall be cumulative and that no action taken by the board or the Attorney General shall be or be construed to be an election on the part of the State or any of its officers to pursue any remedy hereunder to the exclusion of any other remedy for which provision is made in this part.

CHAPTER 4. MISCELLANEOUS

27027. Every producer shall keep such records, receipts, invoices and other pertinent papers in such form as the board may require. The board or its representatives are hereby authorized to examine the books, papers, records, and equipment of any producer, carrier, pipe-line company or any other person or any department or office of the State in order to verify the accuracy of any return made, or if no return was made by the producer, to ascertain and assess the tax imposed by this act. The board is also hereby authorized to require the furnishing of such information or reports by carriers, pipe-line companies or other persons as may be deemed necessary for the administration of this part.

27028. The board is hereby charged with the enforcement of the provisions of this part and is hereby authorized and empowered to prescribe, adopt and enforce rules and regulations relating to the administration and enforcement of the provisions hereof and to employ such accountants, auditors, investigators, assistants and clerks as may be determined to be necessary for the efficient administration of this part and may designate representatives to conduct hearings, prescribe regulations or perform any other duties imposed by this part or other laws of this State upon the board.

27029. It shall be unlawful for the board or any person having an administrative duty under this act to divulge or to make known in any manner whatever the business affairs, operations or information obtained by an investigation of the records and equipment of any producer visited or examined in the discharge of official duty, or the amount or source of income, profits, losses, expenditures or any particular thereof, set forth or disclosed in any return, or to permit any return or copy thereof or any book containing any abstract or particulars thereof to be seen or examined by any person except as provided by law; provided, however, that the Governor may authorize examination of such returns by other state officers, by tax officers of another state, or the Federal Government, if a reciprocal arrangement exists, and any other persons the Governor may so authorize.

Any violation of the provisions of this section shall be a misdemeanor and be punished by a fine not exceeding one thousand dollars ($1,000), or by imprisonment not exceeding one year, or both, at the discretion of the court.

27030. All fees, taxes, interest and penalties imposed under this part shall be paid to the board in the form of remittances payable to the State Board of Equalization. The board shall transmit all moneys received by it under this part to the State Treasurer to be deposited in the State Treasury to the credit of the Severance Tax Fund, which fund is hereby created. All money deposited in the fund under this part is hereby appropriated to pay the refunds authorized in this part and to the Highway Users Tax Fund. The Controller shall transfer the balance of all money deposited in the Severance Tax Fund, after the payment of refunds, to the Highway Users Tax Fund. The Controller shall make the transfer at the same time as the transfers to the Highway Users Tax Fund as moneys received under the Motor Vehicle Fuel License Tax Law are made.

27031. No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against this State or against any officer thereof to prevent or enjoin under this act the collection of any tax sought to be collected but after payment of any such tax the producer paying the tax may bring an action against the board in a court of competent jurisdiction in the County

of Sacramento for the recovery of the amount of tax paid. No such action may be instituted more than one year after the tax becomes due and payable, and failure to bring suit within said one year shall constitute a waiver of any and all demands against the State on account of an alleged overpayment of taxes hereunder.

If in any such action judgment is rendered for the plaintiff, the amount of the judgment shall first be credited on any taxes due from the plaintiff under this part, and the balance of the judgment shall be refunded to the plaintiff. In any such judgment, interest shall be allowed at the rate of 6 percent per annum upon the amount of tax found to have been illegally collected from the date of payment of such tax to the date of allowance of credit on account of such judgment or to a date preceding the date of the refund warrant by not more than 30 days, such date to be determined by the board.

In no case shall any judgment be rendered in favor of the plaintiff in any action brought against the State Treasurer to recover any tax paid hereunder, when such action is brought by or in the name of an assignee of the producer paying said tax, or by any person other than the person who has paid such tax.

27032. Any producer failing or refusing to furnish any return hereby required to be made, or failing or refusing to furnish a supplemental return or other data required by the board, or rendering a false or fraudulent return, shall be guilty of a misdemeanor and subject to a fine of not exceeding five hundred dollars ($500) for each such offense.

Any person required to make, render, sign or verify any report as aforesaid, who makes any false or fraudulent return, with intent to defeat or evade the assessment required by law to be made, shall be guilty of a misdemeanor, and shall for each such offense be fined not less than three hundred dollars ($300) and not more than five thousand dollars ($5,000) or be imprisoned not exceeding one year in the county jail or be subject to both said fine and imprisonment in the discretion of the court.

27033. Any violation of the provisions of this part, except as otherwise herein provided, shall be a misdemeanor and punishable as such."

Amendment No. 3

On page 38, line 11, of said bill, strike out "and 37.5", and insert "37.5 and 37.7".

Amendment No. 4

On page 38, line 15, of said bill, strike out "and 30", and insert ", 30 and 37.7".

Proposed Amendments to Senate Bill No. 5 by Mr. Kilpatrick

Amendment No. 1

On page 21 of the printed bill, as amended in the Assembly on March 31, 1947, after line 26, insert

"(g) Any vehicle, the owner of which is either:

(1) A person entitled to public assistance under Divisions 3, 4, or 5 of the Welfare and Institutions Code.

(2) A person whose children are receiving public assistance under Part 2 of Division 2 of the Welfare and Institutions Code.

(3) A person receiving educational assistance under Division 4 of the Military and Veterans Code or under the provisions of the Servicemen's Readjustment Act of 1944."

Amendment No. 2

On page 22 of said bill, between lines 12 and 13, insert

"The provisions of this section shall not apply to:

(1) A person entitled to public assistance under Divisions 3 or 4 of the Welfare and Institutions Code.

(2) A person whose children are receiving public assistance under Part 2 of Division 2 of the Welfare and Institutions Code.

(3) A person receiving educational assistance under Division 4 of the Military and Veterans Code, or under the provisions of the Servicemen's Readjustment Act of 1944."

Proposed Amendments to Senate Bill No. 5 by Mr. O'Day

Amendment No. 1

On page 10, line 35, of the printed bill, as amended in the Senate on March 10, 1947, after "Expressway", insert "is".

Amendment No. 2

On page 10, line 37, of said bill, after "tunnel", insert ", which shall be at least six lanes in width, with a physical barrier separating opposing traffic,".

Proposed Amendment to Senate Bill No. 5 by Mr. Dunn

Amendment No. 1

On page 14, between lines 32 and 33, of the printed bill, as amended in the Assembly on March 28, 1947, add a new paragraph to read as follows:

"298.2. Any restrictions prescribed by the department with respect to the use by vehicles of any express highway, expressway, freeway, or highway in the expressway system shall be prescribed by the department only after a proceeding before the Department of Public Works in accordance with the provisions of Section 715.5 of the Vehicle Code of the State of California. The order of the Department of Public Works in such proceeding, and the order of the Department of Motor Vehicles prescribing such restriction after such proceeding, shall be reviewable by the superior court in the manner provided by the Code of Civil Procedure for the granting of writs of review of inferior tribunals, boards, or officers, exercising judicial functions."

Proposed Amendment to Senate Bill No. 5 by Mr. Dunn

Amendment No. 1

On page 14 of the printed bill, as amended in the Assembly on March 28, 1947, strike out lines 21 to 26, inclusive.

Proposed Amendments to Senate Bill No. 5 by Mr. M. Philip Davis

Amendment No. 1

On page 2, line 29, of the printed bill, as amended in the Assembly on March 31, 1947, after "2006.", insert "The board of supervisors of".

Amendment No. 2

On page 2, line 33, of said bill, strike out "board of supervisors", and insert "department".

Amendment No. 3

On page 2, line 38, of said bill, strike out "board of supervisors", and insert "department".

Proposed Amendments to Senate Bill No. 5 by Mr. Robertson

Amendment No. 1

In line 9 of the title of the printed bill, as amended in the Senate, March 31, 1947, strike out "and 188.4", and insert "188.4, and 510".

Amendment No. 2

On page 17 of said bill, between lines 8 and 9, insert

"SEC. 8.5. Section 510 is added to the Streets and Highways Code, to read:

510. Route 210 is from Marysville to Sacramento via the most feasible and direct route."

Proposed Amendment to Senate Bill No. 5 by Mr. Dunn

Amendment No. 1

On page 13, line 12, of the printed bill, as amended in the Assembly on March 31, 1947, after "authority", strike the period, and insert a semicolon and "provided that there shall be no restrictions against the use of such entrances and exits by all classes of traffic, but the routes between such entrances and exits on the one hand and industrial and commercial establishments on the other hand may be restricted with respect to commercial vehicles if reasonable routes are provided in lieu thereof for such commercial vehicles."

Proposed Amendment to Senate Bill No. 5 by Mr. Dunn

Amendment No. 1

On page 13, line 38, of the printed bill, as amended in the Assembly on March 31, 1947, after "highway", insert "however, such service roads shall be of such standards that there will be no restrictions to the use thereof by any class of vehicles,".

Proposed Amendment to Senate Bill No. 5 by Mr. McCollister

Amendment No. 1

In line 9 of the title of the printed bill, as amended in the Assembly on April 3, 1947, strike out "188.2, and 188.4", and insert "and 188.2".

Amendment No. 2

On page 15 of the said bill, strike out lines 1 to 21, inclusive.

Proposed Amendment to Senate Bill No. 5 by Mr. Beck

Amendment No. 1

On page 9, line 39, of the printed bill, as amended in the Assembly on April 3, 1947, after the first comma, strike out "Stockton, and Sacramento.", and insert "Glendale, Burbank, San Fernando, Bakersfield, Delano, Tulare, Kingsburg, Selma, Fresno, Madera, Chowchilla, Merced, Turlock, Modesto, Manteca, Stockton, Lodi, and Sacramento".

Proposed Amendments to Senate Bill No. 5 by Mr. James

Amendment No. 1

In lines 4 and 5 of the title of the printed bill, as amended in the Assembly on April 3, 1947, strike out "Article 2 of Chapter 2 of Division 1 and".

Amendment No. 2

In line 6 of the title of said bill, strike out "232,".

Amendment No. 3

In line 7 of the title of said bill, strike out "300,".

Amendment No. 4

On page 8 of said bill, strike out lines 48 to 50, inclusive; strike out all of pages 9 and 10; and on page 11, strike out lines 1 to 6, inclusive, and insert

"SEC. 2. Article 2A is added to Chapter 2 of Division 1 of the Streets and Highways Code, to read:

Article 2A. The State Expressways

252. The terms "express highway," "expressway," and "freeway" shall be synonymous and interchangeable and all of the statutes of this State applicable to freeways shall, unless inconsistent with any of the provisions of this chapter, be applicable to the expressway system of highways described or provided for in this article.

253. Nothing in this article shall be deemed to prevent the commission or the department from acquiring rights of way for or constructing any other state highway as an expressway or freeway or declaring any state highway to be a freeway as authorized under any of the provisions of this code or any other statute.

254. The state network of expressway routes is described in Sections 255 to 264, inclusive.

255. The Hollywood Expressway is from State Highway Route 165 to Cahuenga Pass.

256. The Santa Ana Expressway is from the Hollywood Expressway to Santa Ana.

257. The Harbor Expressway is from the Hollywood Expressway to San Pedro.

258. The Arroyo Seco Expressway is from the Hollywood Expressway to Pasadena.

259. The Santa Monica Expressway is from State Route 60 near Santa Monica to the Hollywood Expressway.

260. The Olympic Expressway is from State Route 60 near Venice to the Santa Ana Expressway.

261. The Lombard Street Expressway is from a point near the San Francisco approach to the Golden Gate Bridge, via Lombard Street tunnel to a point near the San Francisco approach to the San Francisco-Oakland Bay Bridge.

262. The MacArthur Expressway is from State Route 14 near the distribution structure in Oakland to State Route 5 near Hayward.

263. The Transbay Expressway is from State Route 2 near San Bruno to State Route 14 at Crockett.

264. The Tunnel Road Expressway is from the Transbay Expressway near Folger Avenue to Route 75.

265. The expressway routes described in Sections 257, 258, 262, and 264 are added to the State Highway System as state highway routes."

Amendment No. 5

On page 17 of said bill, strike out lines 1 to 8, inclusive.

Amendment No. 6

On page 17, line 9, of said bill, strike out "232".

MOTION TO SET SPECIAL ORDER

Messrs. Burns and Dickey moved that Senate Bill No. 5, with all amendments, be made a special order of business for Monday, April 7, 1947, at 10.30 a.m.

Motion carried.

REQUEST FOR UNANIMOUS CONSENT THAT ELEVENTH TRANSCRIPT RELATIVE TO STATE HIGHWAY SYSTEM BE ORDERED PRINTED IN JOURNAL

Mr. Hollibaugh asked for, and was granted, unanimous consent that the following eleventh transcript, taken at a hearing before the Committee on Revenue and Taxation, on the California State Highway System, be ordered printed in the Journal, in 10-point type:

HEARING BEFORE THE COMMITTEE ON REVENUE AND TAXATION ON THE CALIFORNIA STATE HIGHWAY SYSTEM

VOLUME XII

Assembly Chamber, State Capitol
Sacramento, California

Wednesday, March 19, 1947, 2.30 p.m.

CHAIRMAN HOLLIBAUGH: The meeting will now come to order. I will now call the roll for the Assembly Revenue and Taxation Committee.

(Thereupon the roll was called.)

There is a quorum present, so we will proceed to hold hearing on Senate Bill No. 5. Senator Collier, you may proceed.

SENATOR COLLIER: Mr. Chairman and gentlemen of the committee, the first witness that I would like to put on this afternoon is Mr. Dixwell Pierce, the Secretary of the Board of Equalization. We are asking Mr. Pierce because they administer the 3 percent gross receipts, to give some testimony as to the question of administration of the vehicle mileage tax that the staff and the committee developed. With that introduction I will ask Mr. Pierce to proceed.

MR. PIERCE: Mr. Chairman and members of the committee, as Senator Collier has explained the State Board of Equalization is the administrative agency for the 3 percent gross receipts tax, and so when the joint committee of which he was chairman was giving consideration to the possibility of a substitution of some of their methods of taxation, inquiry was made of our office as to the administrative feasibility of the mileage tax. On October 23d, the joint committee inquired of the Board of Equalization on this as follows: "the committee has under consideration, among other things, recommendations which would in effect substitute a truck-mileage tax for the existing gross receipts tax and weight fee. In deciding whether or not to recommend the adoption of such a tax, the question of administrative feasibility naturally arises.

"Will you be good enough to inform this committee at your earliest convenience whether or not in your judgment such a tax can be administered with any acceptable degree of efficiency, and the best estimate you can make at the moment as to the administrative cost." Now our experience in the administration of the gross receipts tax has gone back as far as 1923, and together with our experience with respect to the use fuel tax or diesel tax again in 1937, naturally afforded us some familiarity with the administration of a mileage tax. In checking the credibility of the self-assessments of those paying the gross receipts on use fuel taxes, we have had occasion to resort to mileage data and we have found that these are checked with reasonable accuracy from most of the large commercial vehicles in operation upon California highways. On the basis of this experience, we do not foresee any difficulties in the administration of a mileage tax that would be materially greater than those that we have encountered in our other tax work.

It was deemed advisable, however, to consult with authorities in another state where direct experience in mileage tax administration had extended over a considerable period of time. Accordingly, Mr. Abbott went to Salem, Oregon, where he interviewed the authorities of that state charged with the administrative responsibility for the highway-user tax based upon mileage. A rather careful analysis of the entire operation of the tax there was completed by us and sent to Mr. George Flagg, Public Utilities Commissioner, who directs the administration of Oregon Motor Carrier Taxes. In response Mr. Flagg wrote that with minor exceptions he had no criticism or suggestion with what he believed to be a very excellent report, and the corrections which he suggested were made by us before we transmitted the report to the joint committee.

Of particular interest are the remarks made by Mr. Flagg relating to Mr. Abbott's discussion of the problems encountered in the administration of the mileage tax as compared with the gross receipts tax, and he said this:

"Your report touches on the problems which arise on determining fees on the gross earnings basis as well as the mileage basis. Our experience has been that when a carrier sets out to evade the payment of fees for highway use, it is much easier to arrive at the proper fee when the carrier has elected to pay on mileage. In fact, on numerous occasions we have been able to determine quite accurately from speedometer readings, and other records the mileages operated and have used this information to compute the gross earnings of the carrier." I might interpolate there that we have somewhat similar experience with diesel tax, which as you know, applies to the gallonage of diesel fuel which is used to operate trucks and busses. Once in a while we find an operator who is not as careful as he might be, and our most effective way of determining what his real use should have been reported, has been to check his mileage, and we find that mileage is the surer index of highway use.

"We have found that such carriers do not issue freight bills, make deposits of earnings nor do they include such earnings in their income return." Then he finally said, "It has been our experience that there are more sources than can be used to determine the accuracy of the taxpayer's reports on the mileage basis than on the gross earnings basis." I might explain there that he had had experience with both types of

factors because until now in Oregon they had both the gross receipts tax and the mileage tax, and its use was operational in many instances. It is interesting to note that there is pending before the Legislature in Oregon a bill to put the entire tax on a mileage basis and to do away with the operational gross receipts tax, and the Assembly there has already passed a bill which is now before the Senate committee and we are informed the possibility that it will pass the Senate is very excellent indeed. So it is anticipated that shortly there will be just the mileage tax in Oregon. On the basis then of our studies that we made pertaining to the Oregon tax, the Board of Equalization wrote to the joint committee last November and said, "In response to your inquiry of October 23d, the State Board of Equalization is glad to advise your committee, that in the judgment of the board a mileage tax applicable to trucks of more than 12,000 pounds gross weight can be administered with an acceptable degree of efficiency at reasonable cost." That was the inquiry at that time, 12,000 pounds, since then the bill has been amended. So now the minimum would be 16,000, so, if anything, the ease of administration would be somewhat increased because, of course, the raising the minimum from 12,000 to 16,000 cuts down considerably the coverage of the tax.

Continuing our letter then of November 4th to the committee: "This bureau is reliably informed that in other states where trucks mileage taxes law have been substituted for gross receipts taxes the administrative expense has been no greater, and that in general these costs have been reduced somewhat under the mileage system of taxation. While it is difficult to be precise in estimates of this character, we believe that a truck mileage tax such as your committee has under consideration would probably be applicable to about the same number of vehicles as are now taxed under the gross receipts system." Since then we have made a rather careful analysis of Senate Bill No. 5, and I think we can tell you that there would be approximately 75,000 vehicles subject to the mileage tax, and the number of accounts would be something in the neighborhood of 21,000. In other words, averaging a little more than three vehicles to a county. Several counties will have far more than that, such as the large trucks and bus operators, and others will have only one. But the average will be over three. Now in the gross receipts tax which we are administering, we have some 25,000 accounts, and they cover about 86,600 vehicles. So you can see, if the mileage tax were substituted, we would have fewer accounts, fewer vehicles. The office work would be less rather than more, and certainly any provisions made for administration of the gross receipts tax, so far as the paper work is concerned, would be adequate. In fact, it probably could be reduced to some extent.

Now then, the only thing that would remain, would be the problem of audit. But I have already touched on what Mr. Flagg had to say to that, that it would be less than the gross receipts tax, and from our own practical experience in it we would be inclined to concur. Concurrently we have a field force of about 60 persons, some 40 auditors, and 20 investigators engaged in the truck tax operation. Certainly that force ought to prove entirely adequate to cover anything that would confront us in the administration of the mileage tax, so I can see no reason to believe that we would have to increase the provision for the mileage tax over the budget already made for the tax provision, which is $444,000.

Now, it is being estimated that the mileage tax will yield at least $16,000,000. If it does, the percentage of the cost of administration and yields would be something about 2.7 percent, well under 3 percent, which would be very gratifying indeed from the standpoint of economical tax administration. Then, to sum it up, we see no reason to be apprehensive at all that the administration will prove burdensome or excessive from the standpoint of the State.

Now, there are mileage taxes in 21 states and the District of Columbia, 22 in all, and in contrast to the number of gross receipts tax states, there are six including Oregon. If Oregon goes ahead with the substitute, it will be only five. Of course, Oregon is already counted in this 21, because that is a mileage tax now. So, on the basis of experience elsewhere there is nothing to deter us from going into a mileage tax on the grounds that it has been found feasible elsewhere. As to the policy, that is for determination by the Legislature. You realize, of course, in a mileage tax such as this, the coverage would be somewhat different. The number of accounts is somewhat different, say, 25 in the gross receipts and 21 in the mileage tax, and while the number of vehicles is somewhat less, perhaps 75 against 86, it wouldn't be the same account or the same vehicles by any means; because in our present gross receipts tax we have quite a large number of small operators. I mean, operating one or two light pick-up trucks, or, perhaps, even just passenger type trucks, and the like, which of course would be excluded from the purview of the mileage tax entirely. And in the mileage tax you would pick up numerous instances of large fleets and the like, which are operated not for hire, but in connection with plant utilities of the business in which they are being used. Which perhaps illustrates one more reason why a mileage tax would be administratively feasible. When you start with a minimum of vehicle that weighs 16,000 pounds or more, it is really a good-sized vehicle and a good-sized truck. It represents a substantial investment, and it would be owned under two rather broad categories. One where the operator is in business affording transportation to others, carrying property or persons, if he is, of course, he is subject to the regulations that both the Public Utilities Commissioner of California and the Interstate Commerce Commission, depending upon whether he is operating interstate or intrastate. He has to keep records of his mileage, and consequently, we wouldn't anticipate any material difficulty in that class of carriers, so far as the payment of the tax measured by the mileage is concerned. The record would be there, moreover, just for his own protection. Any large operator wants to know how far his vehicles are going and figure his costs. In all, the other types to which the law would apply would be those persons who have enough goods of their own so they can afford to own and operate large trucks of that capacity, large vehicles of that capacity where, when they do, obviously their businesses are such that they have to be conducted with suitable and complete records, or they wouldn't know whether they were making any money or losing it. So our experience has been that we can rely upon them for accurate returns.

There really would not be much opportunity for argument there as there would be for the gross receipts, because, conceivably, there would be gross receipts on the borderline, and the mileage would be recorded with a good deal less confusion and complications in our gross receipts.

So, from every standpoint that we can view, and we are trying to see the thing just as completely and thoroughly as we can, we see no reason for apprehension from the administrative standpoint so far as the mileage tax is concerned.

Now, the experience in Oregon finally, perhaps, could be summarized just by saying that after a rather lengthy experience in some two or three years of comparison between mileage and gross receipts taxes, I mean, when they have been keeping them side by side, we find that from the standpoint of the taxpayers and tax administrators in Oregon, the weight of opinion seems to favor mileage taxes, especially as fairer and easier to administer. Incidentally, of course, the Oregon tax really operates as one substantially higher than ours. For instance, take a sizeable vehicle, a 38,000-ton gross weight truck, in Oregon it would be subject to a registration fee of $5 and weight fees of $95 to start with. Then there is a gas tax there of 5 cents, and on a 20,000-mile operation, assuming about five miles to a gallon for a vehicle of that type, it would be $200 of gasoline tax to pay in a year. There mileage tax at one mill would run about $380 and make a total of over $675.

Now, in California under Senate Bill No. 5, the registration fee for that same vehicle would be $6. There would be no weight fee, because the mileage tax would be in lieu of that. The gasoline tax would be the same. The mileage would be only $261, so that the comparative tax in California under Senate Bill No. 5 would be about $467, as against the $675 on the same operation with the same type of truck in Oregon. So, from the rate standpoint and so forth, if the Oregon tax is proving acceptable at that rate, we do not believe there would be too much cause for anxiety here. The Oregon tax net figures up, with the offset for the gasoline tax, about one mill per ton-mile, and I would figure out about eight-tenths of a mill or 20 percent less. So, from every angle we can bring to you, I should think that the report of the board would be that the proposal before you would be administratively feasible, if it is acceptable to you.

ASSEMBLYMAN THOMAS: Mr. Pierce, what check will be made by your department as to the mileage traveled by all the trucks?

MR. PIERCE: The first thing that we would endeavor to do would be to ascertain whether they were trucks operated for hire or operating in conjunction with a private business. If they were operated for hire, I think our check would be directed mainly toward cooperating with the regulatory agencies, the Public Utilities and the Interstate Commerce Commissions, and ascertaining the reports made to them and checking those reports against the reports made to us to see whether they seemed reasonable and appropriate. With respect to the private carriers, there would be relatively fewer, because large equipment is operated for the most part for hire. We would endeavor to find out what type of business and how thorough records they kept, and the like. We would probably to some extent check the consumption of fuel against the mileage. We find that very feasible. For instance, in the diesel operators there are somewhere between 7,500 and 8,000 of these vehicles subject to the tax as diesel operators, and we have already been checking the mileage of those.

ASSEMBLYMAN THOMAS: In the other states do they have a sealed speedometer?

MR. PIERCE: In Oregon they take the reading from the speedometer that the operator has installed.

ASSEMBLYMAN THOMAS: Wouldn't that lead to an easy evasion of the law?

MR. PIERCE: No, I think not, for the reason that I have explained. Actually, there is more chance to evade the law when you are reporting the gross receipts, because there are ways they can charge them to other methods. But the other way there are too many checks. In other words, if you buy quite a lot of gasoline, you did not use it just to run the vehicle in the garage. I mean, the gasoline is being used the same way as the diesel fuel, and you also know what their operations are. Most people who have large trucks have fairly regular operations, and you know about how often they operate and just about how much mileage it would take to accomplish operations. So, I would say, on the whole, it is probably easier to check the mileage than the gross receipts.

ASSEMBLYMAN THOMAS: How many more employees would have to be employed by your department to carry on the administration of this mileage tax?

MR PIERCE: None at all, as far as I can see.

ASSEMBLYMAN THOMAS: The same staff can handle the work?

MR. PIERCE: Yes, we have a clerical staff of about 60 now, and as I have explained, there would be a few less accounts. About 40 of those are auditors and 20 investigatory. Because so many of the operators would already be subject to the regulations by the Public Utilities Commission or the Interstate Commerce Commission, and by cooperating and coordinating work with them, we can cover the whole thing quite adequately.

ASSEMBLYMAN THOMAS: In other words, you contend that you do not have to have additional employees, less evasion by the mileage tax rather than the gross receipts, and the cost of administering the accounts would be less?

MR. PIERCE: Well, it would be about the same. The revenue would be more, but the—

ASSEMBLYMAN THOMAS: (Interrupting.) The cost of administration would be less?

MR. PIERCE: Well—

ASSEMBLYMAN THOMAS: I am trying to find out whether or not it is going to cost us more.

MR. PIERCE: It would cost the same amount presumably. In other words, in the first year's experience, I should say it would be unwise to cut down substantially on that $400,000 appropriation for administration. That is bringing in a tax of about eight million dollars. It is estimated that the new tax would bring in about sixteen million dollars, so your cost of administration relatively the absolute cost of administration, I would say, would be substantially the same.

ASSEMBLYMAN THOMAS: I am not interested in the revenue angle of it.

MR. PIERCE: I would state that the cost of administration would be substantially the same.

ASSEMBLYMAN GEDDES: Mr. Pierce, I want to reconcile your opening statements and your closing statement. As I got it, your first statement was that the question had been propounded to the State Board of Equalization as to whether or not such a tax could be administered with efficiency.

MR. PIERCE: Yes, whether it was feasible and the cost would be excessive.

ASSEMBLYMAN GEDDES: Then your conclusion was that it was your opinion, or, I think that I am quoting correctly, I think that the report of the board would be, that it could be done efficiently.

MR. PIERCE: That is right.

ASSEMBLYMAN GEDDES: Now, are you making a report for the board, or is that your opinion as an individual?

MR. PIERCE: The matter was discussed with the board in some length and the committee report we have from Commissioner Flagg, and I have the complete report here if you would be interested in seeing it, and the board instructed me to inform Senator Collier's committee and any others that might be interested that, in their opinion, the ton-mile tax could be administered efficiently.

ASSEMBLYMAN GEDDES: Then, it is the opinion of the board that a ton-mile tax can be administered efficiently, and, as an expert you are offering that.

MR. PIERCE: Yes, sir.

ASSEMBLYMAN GEDDES: Now, as to the Oregon experience, I might say that I am not too much interested in the experience of another state. I think that California has its own problem to settle here, and it is to satisfy the people of California, not the people of Oregon or Mississippi or some other place, and what they charge or don't charge has nothing to do with us. We are interested particularly in California in comparison with the other states if it affects our economy in competition with them. But now going to the Oregon experience, how many trucks are there in Oregon?

MR. PIERCE: I think there are about twenty-eight thousand trucks.

ASSEMBLYMAN GEDDES: And how many owners?

MR. PIERCE: Well, I think, their ownership runs about the same as ours does, somewhere around two or three trucks to an owner.

ASSEMBLYMAN GEDDES: So, about nine thousand owners?

MR. PIERCE: Yes.

ASSEMBLYMAN GEDDES: How many operators do they have checking those 9,000?

MR. PIERCE: I don't know that. I don't have that detail here. Would you have that, Mr. Abbott?

MR. ABBOTT: No.

MR. PIERCE: Maybe I ought to explain that a little more fully. Until now, they have had both a mileage tax and a gross receipts tax, and I don't believe that they use operatives exclusively on any one job, and it would probably be pretty hard to tell without getting Mr. Flagg here. Is that about the way you understand the situation, Mr. Abbott?

MR. ABBOTT (State Transportation Tax Administrator, State Board of Equalization): That is correct. They made an estimate of their cost of administration, and it was something under 7 percent. That includes

the cost of auditing the per-mile tax and, also, work done in the rate making.

MR. PIERCE: That is correct.

ASSEMBLYMAN GEDDES: Now then, the further question, as far as the State of California is concerned, and we are facing the problem of providing a certain amount of revenue for unspecified purposes. Our problem is to determine how much revenue can be raised. I think you said that about $16,000,000 would be obtained from this mileage tax.

MR. PIERCE: Yes, sir.

ASSEMBLYMAN GEDDES: I am very glad to have that, whether that $16,000,000 or a portion of it, is obtained under the present gross receipts tax, if it were retained and used, or whether it is a ton-mile tax makes no difference, does it? If we would abolish both of those, the proposal in the bill and the gross receipts tax, and take care of it in some other way, fuel taxes or increased rate fees, except that it would throw a certain number of men out of work.

MR PIERCE: I think it would have a worse effect than that.

ASSEMBLYMAN GEDDES: A worse effect than cutting out this crew of, you say 20 men.

MR. PIERCE: No, there are all together about 60 field men.

ASSEMBLYMAN GEDDES: About 60 field men are going to audit and check up audits on 21,000 owners?

MR. PIERCE: That is correct.

ASSEMBLYMAN GEDDES: They are going to work a lot faster than a lot of other state employees do.

MR. PIERCE: Well, we have an efficient department.

ASSEMBLYMAN GEDDES: Do you know—well, you would not, I guess. We will go back to your original testimony. You have some experience auditing mileage accounts.

MR. PIERCE: Yes, sir.

ASSEMBLYMAN GEDDES: Well, I have had a good deal of experience preparing them for only 178 trucks. If this audit is called into question, and you are going to make a mileage audit, how would you propose that you start in.

MR. PIERCE: Well—

ASSEMBLYMAN GEDDES: (Interrupting.) You think they have falsified their returns, and you are going to go in and audit it, and they happen to operate 200 trucks.

MR. PIERCE: Well, I am not an auditor, so, perhaps I ought to call on Mr. Abbott. I think I can outline the general method.

ASSEMBLYMAN GEDDES: Well, I will outline it and see if we agree. We will go back to a specified date and find out what the speedometer reading was, and then we would take their closing mileage and make some subtraction, then we would check that by going back to the gasoline purchases and fills, or fuel purchases and fills to each truck and take the average truck mileage and see if that, more or less, agrees. And do you know what kind of job that would be for 75,000 trucks?

MR. PIERCE: Yes, I think we do. We do pretty much the same thing on a smaller scale already.

ASSEMBLYMAN GEDDES: That is right, and can you realize, in addition to passing on a truck mileage tax to the operators of these trucks, which is just a tax against their business directly or operating the trucks,

that we pass on an additional tax to them in the form of setting up additional records and hiring additional employees to keep them from violating the act.

MR. PIERCE: Well—

ASSEMBLYMAN GEDDES: (Interrupting.) It is true, isn't it?

MR. PIERCE: Well, I am wondering if the witnesses ought to argue, or answer questions.

ASSEMBLYMAN GEDDES: You can do either one.

MR. PIERCE: The answer really would be if anybody would have a large fleet of trucks, of course, he is operating for hire. He already has to maintain records of his mileage because if he didn't he wouldn't last very long with the Public Utilities Commission. So the State wouldn't be asking him to do anything he doesn't do.

ASSEMBLYMAN GEDDES: Well, take the case of an alfalfa rancher who is hauling for himself, and he buys the hay from neighboring ranches, and he owns a couple of trucks that are big enough to come under this classification. Really, the figures that count to him are those at the end of the year, whether he has any money left in the bank or not.

MR. PIERCE: His operation would not be very large. In any event, I think most of those people are very careful and very honest in their reports. I don't believe you would find it at all difficult to keep mileage records on his trucks. If he were at all a prudent operator, he would anyway.

ASSEMBLYMAN GEDDES: Isn't it quite likely that the board would specify, not the exact pages and the way that they had to be set up, but would require a pretty comprehensive system of bookkeeping that could be used to satisfy the State on the reports or claims of the operator?

MR. PIERCE: Of course, the bookkeeping of the large truck operators would be pretty comprehensive, and you would have a pretty good check there. They are going to pay nine-tenths of the tax anyway. I do not mean just that one, but the fleet operators would pay the bulk of the tax.

(NOTE: Record No 7 was not recorded. So am beginning record No. 8.) (hp)

ASSEMBLYMAN GEDDES: Well, I will come back then, do you agree that in adopting this tax, outside of the revenue that would be produced and the cost to the operators of trucks, that there is a possibility of an added cost to them in providing for the necessary personnel?

MR. PIERCE: No, I think that on the contrary, as far as the people now operating for hire are concerned, they would find the cost of complying with the ton-mile tax less burdensome. Now, or, as to the ones who are not operating for hire and don't pay anything at all except the weight fee, of course, there would be some additional cost because they would have to report to the board periodically, monthly or quarterly, as to their mileage. However, the records you keep for mileage would be very simple, indeed, and would be less burdensome to maintain than gross receipts and money.

ASSEMBLYMAN GEDDES: Well, I am saying we are going to drop the gross receipts We will just say, though, that these 75,000 trucks we are trying to tax to obtain a certain amount of money from them, suppose this tax is so good we drop these weight fees.

MR. PIERCE: I understand that the weight fees would be dropped anyway, and the ton-mile tax would replace them.

ASSEMBLYMAN GEDDES: That is not the bill now.

MR. PIERCE: I understood it was. In other words, the mileage tax is in lieu of the weight fee.

ASSEMBLYMAN GEDDES: That wasn't brought out yesterday by one of the men that had a good deal to do with designing the present schedule. That is all I have.

CHAIRMAN HOLLIBAUGH. Mr. Knight.

ASSEMBLYMAN KNIGHT: Mr. Pierce, as I understand it, there is less than 10 percent of our trucks in this State that are commercial or for-hire trucks.

MR. PIERCE: Of the total number of trucks registered?

ASSEMBLYMAN KNIGHT: Yes.

MR. PIERCE: No, I think it is somewhat more than that. Mr. Abbott, can you help us there? That is really kept in the Motor Vehicle Department.

ASSEMBLYMAN KNIGHT: I believe the figures we have available are 10 percent.

MR. PIERCE: That would probably be true if you included a lot of the small commercial registration just over the limit so they have to pay the $5 weight fee. And now, of course, when you get into larger sizes of trucks, such as here, 16,000 pounds and over, then I think it would be nearer, perhaps, about 60—40 or something of that sort, but I don't know exactly.

ASSEMBLYMAN KNIGHT: Well, let's assume, then, that it is 40 percent, which I think is excessive, that leaves 60 percent of the trucks that do not come under the jurisdiction or supervision of the Public Utilities Commission.

MR. PIERCE: Well, we are getting a little far afield from my own field. I know we tax about 86,000. If you knew how many there are all together, that is just a process of deduction. Aren't there about 300,000 commercial registrations?

MR. ABBOTT: I have those figures—here.

ASSMBLYMAN KNIGHT: I would appreciate it very much. We could probably talk more intelligently from that basis.

MR. ABBOTT: There are commercial registration vehicles of about 351,966. That doesn't include the little one-wheeled trailer used for camping purposes, nor commercial trucks, boxbacks, they call them, under 3,000 pounds. Then, there are 786,000 for-hire trucks, busses, and also including the trailers.

ASSEMBLYMAN KNIGHT: That would be approximately 25 percent.

MR. ABBOTT: Yes.

ASSEMBLYMAN KNIGHT: Then, that would be 75 percent of our trucks that we have that are not under the direction or supervision of the Public Utilities Commission. Now, that being the case, then, the accounting, or 75 percent of the trucks not being under the Public Utilities Commission, that might be anything from a little notebook carried in the vest pocket to a very elaborate system of bookkeeping.

MR. PIERCE: That would be right, sir.

ASSEMBLYMAN KNIGHT: The bookkeeping that you refer to, or the accounting system that you referred to earlier this afternoon, 25 percent of the trucks then come under the supervision of the Public Utilities Commission.

MR. PIERCE: I don't believe so. As I said earlier, when you get to trucks as large as 16,000 pounds gross weight, that represents a pretty substantial investment. You can't buy trucks like that for less than five or six thousand dollars, and people don't buy those trucks unless they have a fairly substantial use for that. That divides itself into two ways. Either they are going to operate for hire, in which case they come under the Utilities Commission, or they are going to operate them in conjunction with their own business. And if they do that, it is obvious that it isn't a vest pocket business. There might be a few instances, but most of those people keep pretty good accounting records for income tax and other purposes. And I say that any mileage record would not impose any particular mileage burden.

ASSEMBLYMAN KNIGHT: Mr. Pierce, I don't believe you keep very close to the market on trucks. I believe you will find a truck that has a capacity of 16,000 pounds can be purchased for around twenty-two to twenty-five hundred dollars, and the trucks you speak of running up to 16,000 carry tonnage up into the 10- or 12-ton capacity.

MR. PIERCE: Well, sir, I don't know. It depends, but usually trucks that size have some sort of special body on them by the time you get through. Well, you might be able to get a second-hand truck.

ASSEMBLYMAN KNIGHT: I am talking about new trucks, and I believe your figures are quite out of line with the current market.

MR. PIERCE: Perhaps they are, but I think it still would be the fact that most people do not invest in 16,000 pound trucks unless they are hauling for hire, or have quite a little business of their own.

ASSEMBLYMAN KNIGHT: Well, that takes in a good many of the trucks our farmers have, and I think, if you check that situation, you will find that the average farmer does not keep books up to the extent that is going to be necessary under this bill. You have proved that the administration cost of this particular act is one which is a practical one from the standpoint of administration, but that is only from the standpoint of the tax collector. Now, what studies have you given in regard to the taxpayer in regard to the conformance to the regulations that have been laid down in this bill.

MR. PIERCE: Well, of course, only with respect to the tax regulations, sir, but that was all with which we were concerned. I suppose your question is confined to that.

ASSEMBLYMAN KNIGHT: Yes, I am asking you what would be the cost in making a monthly report in conformance to the provisions of this particular bill for the average man who owns anywhere from one to two hundred trucks.

MR. PIERCE: We anticipated that that inquiry would be made, and at my suggestion Mr. Abbott, who just testified and who is the head of that division, reviewed a large number of our accounts. Of course, the ones we could review would be only those accounts where they are operating for-hire, because the others are not now subject to that. But in those instances where we just contact the operators, I think it was the universal opinion that it would actually be easier to make the reports on a purely mileage basis than on the gross receipts basis because so often the question arises as to whether something is taxable as gross receipts.

ASSEMBLYMAN KNIGHT: Suppose, in the fullness of our wisdom, we should retain the gross receipts tax as well as the mileage tax. Would that double the cost?

MR. PIERCE: I don't know that it would. Of course, in the fullness of their wisdom, they are keeping only the mileage tax in Oregon. Apparently they found it would be better just to have one. I should think, if you had the gross receipts tax and the mileage tax, obviously, the administrative cost would be greater although the same records would be kept.

ASSEMBLYMAN KNIGHT: In shifting the gross receipts tax from the for-hire trucks to a mileage, a ton-mileage tax for our trucks in the State of California in excess of 1,600 pounds, haven't we shifted a tax burden from one group of truck owners to another group of owners?

MR. PIERCE: I don't believe so. You meant 16,000.

ASSEMBLYMAN KNIGHT: Yes.

MR. PIERCE: The situation is now, as I have told you, we are taxing on a gross receipts basis about 25,000 owners who have about 86,000 vehicles. If we went to this ton-mileage tax, we would be taxing 21,000 owners who have about 65,000 vehicles, or maybe 70. Of course, as I said earlier, it wouldn't be the same owners and the same vehicles entirely. Of course, all the people we now tax gross receipts would then be taxed on the mileage basis. Those we retain when we drop the gross receipts tax. The man who has a little star route and has a light pick-up or an old towing car cut down, those would all be out. We would let out all of the taxis and other such light vehicles. My own thought on that is that it is a good thing to do because it seems to me that the gas tax there is sufficient, but, as Mr. Zettel pointed out to you yesterday, there was a deficiency with respect to large vehicles up to 16,000 pounds or over. It takes a great deal more weight over the highways in proportion to the taxi. And that seems to be recognized generally throughout the Country because all of the states have some sort of supplemental tax beyond the gas tax. In some 20 states it takes the form of mileage tax and weight fees and gross receipts tax. What we would be doing here, sir, would be to pick up and put into the category of those who pay a heavier tax the private operators of these heavier vehicles, but if they don't operate very much mileage, the additional tax that they pay is relatively slight. If they operate considerable mileage, it would be more. I think a change like that would be very excellent on the grounds of equity.

ASSEMBLYMAN KNIGHT: That minimum schedule set up here, the mileage is minor.

MR. PIERCE: Yes, I understand that is in lieu of weight, in any event.

ASSEMBLYMAN KNIGHT: Well, I believe that a check of that will show that it is a rather substantial increase in the way of a percentage.

MR. PIERCE: Yes, it may be minor in the sense of absolute dollars and cents, but in percentage it would be more. As Mr. Zettel explained to you, and as you are probably aware the rates are lower practically than any other state in the Union.

ASSEMBLYMAN KNIGHT: This is attempting to bring those in line.

MR. PIERCE: They would still be lower.

ASSEMBLYMAN KNIGHT: This 16,000-pound exemption is a provision which, you understand, is to take care of largely the farmer.

MR. PIERCE: Well, I suppose the small business operator, or the one who operates small trucks.

ASSEMBLYMAN KNIGHT: Your department, I believe, has the handling of the refunds to farmers in connection with their tax exemptions in gasoline use.

MR. PIERCE: No sir, the State Controller has that.

ASSEMBLYMAN KNIGHT: So you are not familiar with what their problem is.

MR. PIERCE: No sir.

ASSEMBLYMAN KNIGHT: Thank you very much, Mr. Pierce.

CHAIRMAN HOLLIBAUGH: Does any other member of the committee wish to ask any questions? Thank you very much, Mr. Pierce.

SENATOR COLLIER: Mr. Chairman, I would like to call Mr. Grumm up here. I see Assemblyman Robertson here, and he has a question. I think that since that question has been bandied about, I think it is time we get down to it.

CHAIRMAN HOLLIBAUGH: That is fine, Senator, if Assemblyman Robertson desires to question Mr. Grumm.

ASSEMBLYMAN ROBERTSON: I don't know exactly to which question the Senator is referring.

SENATOR COLLIER: You remember when you were teetering on the desk here.

ASSEMBLYMAN ROBERTSON: I know, but I asked several teeters.

SENATOR COLLIER: This one pertains to your land values. I have Mr. Grumm here to straighten that out.

CHAIRMAN HOLLIBAUGH: Will you still object to using a microphone?

ASSEMBLYMAN ROBERTSON: Yes, everybody can hear me if I use a microphone.

CHAIRMAN HOLLIBAUGH: Your timid, retiring voice we can't hear.

ASSEMBLYMAN ROBERTSON: Well, I was asking Mr. Grumm for an explanation as to the reason—let's have a couple of preliminary questions. You, in this department, are familiar with the values of real estate, are you not?

MR. GRUMM: Not so much the values of real estate as to the amount of right of way we have to buy and the cost of that right of way.

ASSEMBLYMAN ROBERTSON: Then, you are familiar with the costs of real estate if not the value, is that correct?

MR. GRUMM: No, I am not capable of going out and appraising real estate and saying what the value of it is. Our right of way agents do that.

ASSEMBLYMAN ROBERTSON: Have your right of way agents reported to you an increase or decrease in the cost of land for your rights of way since the twenty-ninth of October, 1945?

MR. GRUMM: The right of way agents advise us that there has been an increase in the cost of right of way since that date up to the present time.

ASSEMBLYMAN ROBERTSON: They so advise you.

MR. GRUMM: Yes.

ASSEMBLYMAN ROBERTSON: In spite of the fact that real estate generally since October 29, 1945 has taken a slide and is less expensive.

MR. GRUMM: That I don't know about, Mr. Robertson, but I do know that they report an increase in the cost of right of way.

ASSEMBLYMAN ROBERTSON: Well, that then, is the reason for this increase in the cost of right of way. Have they ever gotten it down to a percentage basis?

MR. GRUMM: Well, I don't know that we have ever gotten it down to a percentage basis. I think they say right now it is costing about 50 percent on an average all the way through.

ASSEMBLYMAN ROBERTSON: Then you will explain, and I know you will have an explanation, why on October 29, 1945, in right of way number eleven B, 7.6 miles, Sacramento to Mills, four-lane divided; described that way in the report of October 29th, and also described the same way in the report of January, 1947; why that increased 750 percent in 14 months.

MR. GRUMM: Yes, I can explain that, Mr. Robertson, that it was not entirely due to increased cost of right of way. That is due also, to an increased taking of land, or of greater width of right of way, than was contemplated in the first report.

ASSEMBLYMAN ROBERTSON: In other words, they are both four-lane divided. Now, will you explain the difference.

MR. GRUMM: In the report made to the interim committee of October, 1945, that particular project was estimated to include a four-lane divided roadway on the existing right of way which is parallel to the railroad for the greater part of its distance. That right of way goes from 80 to 100 feet wide. On the section from the city limits of Sacramento out to Perkins there has been a considerable additional improvement, and the property has gone up in price as well, so that the taking of a 160 foot right of way, that is about 60 feet or more than we now have, will involve the moving of quite a number of buildings, and also, we will invade considerable high value property by widening our right of way to 160 and 200 feet of the remaining section.

ASSEMBLYMAN ROBERTSON: As compared to what originally?

MR. GRUMM: Originally it was between 80 and 100 feet continuous all over.

ASSEMBLYMAN ROBERTSON: And now you are going to increase it to 160?

MR. GRUMM: Yes, as a minimum

ASSEMBLYMAN ROBERTSON: Well, isn't it more than 80 feet required for a four-lane divided highway?

MR. GRUMM: Yes, it is not possible to get modern design on the 100 feet right of way.

ASSEMBLYMAN ROBERTSON: Then, your program submitted October 29th, was improper and inadequate as of that date?

MR. GRUMM: No, it was not. The program for the list of projects that were submitted to the interim committee at their request, as they requested in a letter, was a detailed list of what we have previously given in totals to the Transportation Committee of the Senate since our meeting of 1944. The interim—that is, the so-called Collier committee—asked us to furnish them with details of each road project to make up that grand total of $635,000,000, approximately. We did that, and these projects that were submitted in this list of October, 1945, are that detailed list, and they indicate the locations, the mileage, the estimated character of construction which we thought was necessary at that time to remove the deficiency in that portion of the road and they were made up for that

particular purpose to indicate the cost. Our standards at that time, I will admit, were not up to what they are now, but between the time when that report was made in October, 1945, and when the second one was made in January, 1947, we had an increase in the standards given to us by the Public Roads Administration because of the establishment of the Interstate Road System in the State of California, over which the Public Roads Administration has certain control. And they have set up standards both as to the right of way and as to construction.

ASSEMBLYMAN ROBERTSON: When did they set up these standards?

MR. GRUMM: Along about 1946. During the year 1946. It didn't all come about at one time.

ASSEMBLYMAN ROBERTSON: Well, in 1946, but on the twenty-ninth of October, 1945 they hadn't set them up.

MR. GRUMM: That is right. Because they did set up the standards we had to increase our design and the right of way dimensions and standards and that cost more money.

ASSEMBLYMAN ROBERTSON: Well the, probably that is the reason your estimated cost of construction jumped from 370 to 935.

MR. GRUMM: That is part of the reason. There is another also.

ASSEMBLYMAN ROBERTSON: Now I want to ask you another question. Why is it that in not a single highway or single project in San Mateo County was there an increase in the cost of construction or acquiring land?

MR. GRUMM: That is not true, Mr. Robertson. There were a number of roads in San Mateo County which were increased.

ASSEMBLYMAN ROBERTSON: All right, you may explain why at least a portion of the projects in San Mateo County were not increased.

MR. GRUMM: Which one are you referring to?

ASSEMBLYMAN ROBERTSON: You have a lot of projects there that you are familiar with. Don't you find that they are given the same—I left my memorandum that I had made out at my room at the El Rancho, but I found at least five where there was no increase in the cost of construction or right of way.

MR. GRUMM: Part of that may be due, Mr. Robertson, to the fact that the standards that were designed at the time the first report was made up were considered to be adequate at the time the second report was made up.

ASSEMBLYMAN ROBERTSON: Why would San Mateo County be different from Sutter or Sacramento or San Bernardino, in fact?

MR. GRUMM: That may occur in other counties also, but let me say this. I wish you could give me one.

ASSEMBLYMAN ROBERTSON: I have five of them that I can pick out of these reports. I think you are more familiar with them than I am. I had to look through both of these books, and I found five all in San Mateo County in which there was no increase, and I was wondering why San Mateo County was so fortunate.

SENATOR COLLIER: Let's see if we can find them for you. We have one here, Mr. Robertson.

MR. GRUMM: One is 68C from San Mateo to Redwood City. The total cost of $2,134,000 in both reports. The next one is through the City of Belmont at a total cost of $317,000 in both reports. Now, I can explain

that this way, Mr. Robertson, that is on the Bayshore Highway, which was a road we decided to develop before the war and is a freeway, and for which, the standards of construction were set up fairly high because we knew that it carried, and always would carry, a large volume of traffic, it being the main road leading into San Francisco. So the standards of construction on that were not increased, and the right of way has been determined. In fact, our plans are pretty well completed in that whole section, and for that reason, we found no necessity of increasing the cost because of increased standards of construction.

ASSEMBLYMAN ROBERTSON: Well, now, I would be interested in a brief statement of what this order of 1946 requires on the highways from the Federal Government in comparison to what they required before.

MR. GRUMM: The restatement would be this, in this interim and during 1946 and probably toward the latter end of 1946, in fact, it would be December before we have the final word; the interstate system as provided in the Federal Aid Act of 1944 was set up in California and it includes the major traffic arteries in the State, the main roads of the valley and the east-west roads.

ASSEMBLYMAN ROBERTSON: But what I am asking is what additional you had to do?

MR. GRUMM: I am trying to explain how we arrived at that. On the major system of highways in California, now known as the interstate system, the Federal Government together with the committee of the American Association of State Highway Officials agreed on increased standards of construction, design and construction, including wider rights of way to be applied to those particular routes, those interstate highways and these particular projects that you asked about for the large increases occurred mostly on that interstate system.

ASSEMBLYMAN ROBERTSON: I was asking more regard to material or construction rather than the rights of way. Does this require more cement or more iron or more steel or more what?

MR. GRUMM: It calls for a higher standard of construction in the width of the lanes or of the roadway. The lanes now are 12 feet wide; they used to be 11. They now add another foot to make them 12 feet wide. The division between lanes is increased to 36, approximately. The clearance from structures has increased over 50 percent, in fact, 100 percent in some cases, which requires greater expense for the structures. The set-up for the separation of grades between intersecting roads has been set-up for a lower average volume for the main roads, and such other things, all of which increased the cost of constructing the roads.

ASSEMBLYMAN ROBERTSON: You are adding one foot, before you had 11 and now you have 12. You are adding one foot, as I understand it, and the same construction of material.

MR. GRUMM: That is one foot for each lane, Mr. Robertson, that makes, on a four lane highway, four feet. Many of these roads are also six lanes, so that would be six feet added to those and additional width involves a great deal of additional grading. It involves an additional length on structures like culvert and bridges, and particularly does it increase the cost when we have to build a grade separation structure, in order to prevent or eliminate the cross traffic. Now, those grade separation structures, if they had to be built at each intersecting road, or at

each important intersecting road, come more frequently than we had anticipated, in October, 1945, and they are very costly. They run from a couple of hundred thousand dollars on up in cost, and when you add two or three of those per mile, you add considerably to the cost of the construction.

ASSEMBLYMAN ROBERTSON: In other words, you add sometimes three and sometimes four, always 100 percent, is that right, practically always?

MR. GRUMM: The estimated costs which we supplied to the committee in our January, 1947, report are based on these higher standards, and they are the best estimates that we can make on that basis.

ASSEMBLYMAN ROBERTSON: So then, in your opinion, it is perfectly all right, under your standards, to have a road that you estimated $370,000 to construct the actual pavement now cost $935,000, one that you estimated costing a million now costs two million and ten, or one that you estimated as costing nine hundred and fifty-four thousand now costs two million three hundred and ninety-three. Do you think those are—as a matter of fact, Mr. Grumm, aren't one or the other of these figures wrong and weren't they always wrong?

MR. GRUMM: They are not wrong.

ASSEMBLYMAN ROBERTSON: Weren't the figures of October 29, 1945, always way underestimated?

MR. GRUMM: They were estimated, as you have been told before, on the basis of 1941 traffic and prices.

ASSEMBLYMAN ROBERTSON: I know, but, Mr. Grumm, you testified before the Senate Committee that this program was good for these roads up until 1965.

MR. GRUMM: I testified that the standards we would use based on the 1941 traffic would be good for the traffic which we figured would develop in that period of time. We didn't have an enormous increase. Nobody expected that. We certainly got caught on that one.

SENATOR COLLIER: Are you going to read testimony, Mr. Robertson?

ASSEMBLYMAN ROBERTSON: If I do, I will present it first. Well now then, you feel that all these additional estimates are necessary for this program. In other words, you feel that these costs are now necessary to carry out the program?

MR. GRUMM: Mr. Robertson, I will say what we said to the committee. We are furnishing here a list of projects and the estimated cost of these projects that are deficient parts of the State Highway System. Most of them are now deficient, and we also included a number in the last report that will become deficient in the 10-year period, and we think, in order to accommodate the traffic and eliminate the trouble that we are now having in the congestion, accidents and deaths, that these particular places should be corrected.

ASSEMBLYMAN ROBERTSON: And one other question, Mr. Grumm. This isn't entirely relevant. Is it the desire and intention of your department as soon as funds are available to immediately let out contracts for these construction jobs, to advertise immediately for the construction of these jobs at the present top prices? Is that correct?

MR. GRUMM: No, Mr. Robertson, we couldn't do that. The money won't be available for the 10-year period. If the Legislature so decides that this money will become available or will be made available to us

in the 10-year period, then we will do our best to advertise these various jobs to the extent that the money available will reach.

ASSEMBLYMAN ROBERTSON: You have 40 that you are ready to let now? Maybe that is the question I should have asked?

MR. GRUMM: Yes.

ASSEMBLYMAN ROBERTSON: And if this bill is passed you would immediately let those 40?

MR. GRUMM: Not until the money comes in to cover them.

SENATOR COLLIER: It only becomes available every quarter.

CHAIRMAN HOLLIBAUGH: Mr. Kirkwood.

ASSEMBLYMAN KIRKWOOD: Mr. Grumm, I do not know whether you are the proper one to answer this, but you may be able to answer. It is a fact that we have had brought up a number of times, and I would like to get clear on it. Mr. Vandegrift stated the other day that on one account, I believe the Contingency Reserve Account, that from January 1, 1946 to January 22, 1947, there were $31,000,000 in shifts back and forth on that account, and that was alluded to this morning in the discussion of the bill as an indication of the bad accounting methods of your department. I am wondering if you have any explanation for those items?

MR. GRUMM: I do not have the details, Mr. Kirkwood.

ASSEMBLYMAN KIRKWOOD: Would Mr. Vickrey?

MR. GRUMM: He might. I think that in January the commission adjusted the funds. I don't remember the details.

ASSEMBLYMAN KIRKWOOD: On January 22, 1944, they did make an adjustment of $1,750,000 which was transferred to other accounts, I believe, but I understand that prior to that time there were shifts of $31,000,000.

MR. GRUMM: I don't see how there could be a shift of that amount, but I will ask Mr. Vickrey if he has those figures.

CHAIRMAN HOLLIBAUGH: Thank you so much, Mr. Grumm.

ASSEMBLYMAN GEDDES: I wanted to take up one matter when Senator Collier resumed his testimony, or Senator Collier.

CHAIRMAN HOLLIBAUGH: All right, Senator Carter.

ASSEMBLYMAN GEDDES: Senator Carter, I thought you might help me in this, which I don't think is a debate particularly, but I certainly want to clear up something in my own mind. In Senate Bill No. 5 as it now exists on page 11, Section 288, Part 1. My interpretation of that section is that after listening to the debate in the Senate committee, Senator Desmond propounded, or offered, his amendment to the bill which was to include privately owned public utilities. Some effort was made to draw the distinction as to why the privately owned utilities would be afforded protection in the bill and the publicly owned utilities not. Now, in my opinion, and, of course, this is only the opinion of a layman, that language as it now exists in the bill is discriminatory legislation. I would like to know your view on the bill as one who has given considerable thought to it.

SENATOR CARTER: Well, you are referring to Section 288, Part 1 on page 11 which was added to the bill in the Senate on March 10th, by Senator Jespersen. And now, this amendment does add this new matter to the law with respect to the rights of utilities, either public or private

to use the highways, and particularly who should bear the cost of relocating the facilities when the highway requires the relocation of the facilities. Now, you must bear in mind that Senate Bill No. 5, as I tried to explain before, carries with it three different types of road problems, also existing under present law, when it is applied to this so-called expressway or freeway system. The expressway system takes up right after the primary and secondary systems and also between those two types of highways concerning utilities there is no distinction, and then it adds to the State Highway System some mileage, 67.4 and 2.8. First the 67.4 miles of city streets that are not now a part of the State Highway System. In connection with those city streets, there are undoubtedly municipal utilities that operate on those streets, and, of course, if they are municipal, they operate as municipally owned, and the city which owns them has the nature of a deeded right of way, or at least a franchise which it owns. It is a dedicated right of way of the city. In the case of private utilities, that is operating the privately owned public utilities, it is undoubtedly operating with a franchise from the city which is contractual in nature. Now, the nature of the franchise will determine what the rights of cities and the utilities are, the respective rights. Now, when those highways are taken over, there is, in my opinion, a different problem than where there is an existing state highway which it is already the rights of utilities to use them both private and public. It is already determined, and in that case there should be, in my opinion, a duty on the part of the highway to relocate the utility facilities, particularly those dedicated to the municipal use, because it is just like going out and taking a private deeded right of way, or deeded right of way of a private utility. Now, if the State were to expand the highway and in expanding a highway were to encroach or take a deeded right of way of a private utility, there is nothing in this bill or nothing in the law which would determine that the State does not have to pay for the taking of that property, because that is a deeded property right that belongs to the utility that has it, and there is no question of that in this bill. The only question in this bill is the question of where a utility, private or public, has a right of way, or uses the highway right of way, either a franchise or a permit, in that case there is a contractual relation between the utility and the Department of Public Works, and under the law as it now exists, and that is not paged in this question at all except insofar as the removal of publicly owned public utilities, you will find that the cost of relocation, or removing, must be borne by the utility after notice given by the Department of Public Works. Now, you asked me the question, if I did not think that was discriminatory, and I will answer you frankly and say that I think part of it is and part of it isn't. Then you will ask me why should it be in there then. In my opinion, I don't think either publicly owned or privately owned public utilities should have the right to require the Department of Public Works to pay the cost of removing the utility when the utility is on the highway by reason of a permit or a franchise, and under its contract it has agreed to pay the cost of removal. That is my personal opinion. If you will examine or have examined the history of these sections that give utilities the right to use these rights of way, you will see that as far back as 1872, and probably farther back, there have been sections in our code, and I refer you to Section 536 of the Civil Code, giving them the right to use any highway in the State to put

facilities on insofar as it doesn't interfere with the vehicle use or the use of the highway for highway purposes. Now, that right has always carried with it the corresponding duty of removing at its own expense on the part of utilities the facility that is on the highway. I say that that is contractual in its nature and it is something if we allow the utility to put the burden onto the highway, it is evading the burdens of the contract and it is just passing the cost on to the highway. Now, I want to find out one other thing that I think, and I argued it in the Senate as opposed to the amendment, that if you allow utilities, either private or public, which are on the highway by reason of a franchise or permit, if you allow them to put on to the State the cost of moving the utility and then at the same time under the existing law, which is found in Sections 678 and 680 of the Streets and Highways Code, where the cities are entitled, as a matter of right, to a permit, and if they agree to the terms that they are entitled, as a matter of right, to a permit, and if you allow them to go back on if you are merely building a _____ to the State. In other words, you are saying, "All right, you have to move them, and the State has to pay for the cost of it." If there is any other improvement of the highway the State will have to pay again for that which it already has paid to move, and it is, in my opinion, _____ the costs of this type of structure.

ASSEMBLYMAN GEDDES: Well, then, Senator, we are getting down to an argument now. It isn't a question of law, it is a question of cost.

SENATOR COLLIER: Well, the cost is certainly involved, and that is probably one of the reasons for the law. I will say, Mr. Geddes, frankly that these historical provisions, and I say this by way of hearsay because it comes from older members, that when these permit provisions went into the law, the utilities supported them with the knowledge and the understanding that when the highway was changed, they would have to pay the cost of removal. They knew that and supported the legislation with that in. You never had cities, any private utilities or counties objecting to these permit provisions. As a matter of fact, they were very happy to have them in the law as they now are, and the reason for that is very simple. They didn't have to go out and buy a right of way paralleling the highway structure. Now, that is the history behind it. Now we can change that policy here if we want to. The law has been changed with respect to the publicly owned public utilities in Section 288, Part 1, of the bill. It requires that the State pay the cost of the removal, and I say my personal opinion, I don't think that is fair, either, except in the case of where the State is taking a piece of road that is not now in the State Highway System and upon which a franchise does not now exist in favor of the city or the publicly owned public utility.

ASSEMBLYMAN GEDDES: Then this Section 288, Part 1, is the one which you probably refer to where you said that this is in your opinion probably discriminatory?

SENATOR COLLIER: Yes.

ASSEMBLYMAN GEDDES: Now, in the case of water companies, they are mutuals, but certainly are not exactly what we mean when we say a publicly owned private utility or public utility.

SENATOR COLLIER: That is correct. That is the single instance, Mr. Geddes, and I don't know how that got in there, but that is a single

instance. It is true it is a private corporation which operates for the mutual benefits of those who belong to it.

ASSEMBLYMAN GEDDES: That is right, and they now operate for profits. They don't always, but it is another factor that has entered. Now, the reason I bring that out is that I am sure we are going to find in the subject we are making up our minds on, that is a very, very vital issue to a great many places where water is the life blood of the land, and certainly I know it has a good deal of bearing on the stand that I must finally take on this bill, and that is why I brought it in at this time to see if we can give some consideration to it. We are caught between the iron claw of a dilemma of striking out any matter which is the basis of law as special legislation and making it only unacceptable to some people as pure discrimination so that people who are vitally affected would not only be interfered with, but put out of existence. Now, the question will probably come in in the areas as to what is more important, the people who are there using the land—

SENATOR CARTER: Well, Mr. Geddes, there is one other problem, and of course, it is a lawyer's answer, but it is again my opinion, and it is an opinion that I have which is based upon opinions that I have seen from the Legislative Counsel However, I understand that he is giving an opinion that will clarify the previous opinions, and that is that you have a constitutional question here which is very important and I am inclined to believe, and it is my personal opinion from what I know about it, that a portion of Senator Jespersen's amendment is unconstitutional anyway because it would involve the expenditure of gasoline tax funds for purposes other than road or highway purposes. Under our Constitution that would not be permitted. Now, as to the use of the other funds that do not come from the gas tax, there is still a constitutional question which may involve a gift of public money unless you can tie it up to a state purpose. In that whole picture now as to the first point I raised, I think the answer is more clear than in the second, and I feel that other than the first class of cases that I mentioned, that is where the city has a dedicated right of way which it owns, and then it is taken over by the State, that is the duty on the part of the State to pay for those. In other words, it is just like going in and condemning something. There is a distinction in that case and from the case where there is the removal of these facilities on the highway then the use of highway funds for that purpose. Now, I raise that question because I am of the opinion that a portion of Senator Jespersen's amendment is unconstitutional, and I think that the amendment offered by Senator Desmond was unconstitutional because it violated those provisions of the Constitution to which I have referred.

ASSEMBLYMAN GEDDES: Now, Senator Carter, let's just take the case—a number of years ago when the Highway Department thought they were doing a good job, and the highways they were putting in were perfectly satisfactory and those would be used and useful for a number of years, and under the then existing provisions of the law rights of way were deeded to utilities and it makes no difference whether they were public or privately owned, the road is situated so there are no side roads contemplated, and now the State Highway Division decides to go through and put in an entirely different style of road or highway; rip up the

road and the original contractors, which in this case are both the highway division and utilities, and the original owners of the land had no foreknowledge of this, isn't it a question of equity as to which is going to be decided or which is right and which is wrong and which is fair and equitable?

SENATOR CARTER: There is a question of equity which can be decided by the Legislature, and there is a definite limit on the nature of the funds that you can use, and there is, of course, prohibition against a gift of public lands.

ASSEMBLYMAN GEDDES: Well, isn't that going to be a definition of whether that is a gift or a part of the cost of putting in the highway?

SENATOR CARTER: Well, that, of course, is a question and you have some cases on that subject which are mentioned. But let me point out, in no cases do independent companies, a utility, either private or public, Mr. Geddes, have a right of way in the sense that it is a deeded or owned right of way. It is a contractual right of way which has a clause in it that in the event the facility is moved it must be moved at the cost of the utility. I mean, that is in their contract by law. It is written in there by law so that the public who uses the highways and pays for them in the future will be protected. And now, that has been in our law for years. It is nothing new. The new phase is that we have expanded this highway program, and we have brought directly into play with an extensive program this problem of moving utility facilities, and I, for one, do not wish to be liable. It is a large problem and an expensive one. And now, as to our ability to solve the problem we have some constitutional provisions that we have to follow, and I believe, personally, that the problem could better be solved in separate legislation such as Senator Collier is introducing to follow this bill, and to do constitutionally what we can after we have had the Constitution clarified for our Legislative Counsel to alleviate the situation and try to resolve the equity of the situation. Now, I just think that in this situation I practically admit that in some cases there is a benefit for the publicly owned public utility which a private owned public utility of the same nature does not have. I frankly admit that that is in some cases, but not all cases, because, as I have said before, there are different kinds of roads involved here, that is in this bill as it now exists with Section 288, Part 1. I want to point out, however, that that provision was not in the bill when it was introduced in the Senate, and it was not put into the bill until after it got to the floor of the Senate just before it got to the Assembly, and it is not the author's suggestion that it be in the bill.

ASSEMBLYMAN GEDDES: Of course, we know that the separate deal in the bill wasn't there when it started or it wouldn't have grown to such proportions, but I think as long as the policy has been adapted in putting everything into the bill and setting it on the kitchen stove, and we will probably recognize the problem here and it is important to the Members of the Legislature. That is all I have, Mr. Chairman.

CHAIRMAN HOLLIBAUGH: I will declare a 10-minute recess.

(Thereupon a recess was taken at 4.05.)

CHAIRMAN HOLLIBAUGH: The meeting will come to order.

ASSEMBLYMAN R. C. DILLS: May I ask a question?

CHAIRMAN HOLLIBAUGH: You may, Mr. Dills.

ASSEMBLYMAN R. C. DILLS: Mr. Chairman, sometime last week I asked the Division of Highways to prepare maps which would show

what highways presently are in the highway system. Then I asked them to prepare me a map that would show the additions by the first critical deficiency and then by the second critical deficiency and then by the third deficiency. Having asked that, and you ordered it as chairman, I was in touch later at the beginning of this week with them, and nobody seemed to have heard about such a request. Then, I asked who was the proper person I could talk to. I talked to Mr. Grumm and he said that it would be better if we could put this all in one map, and I said that is fine, put it all on one map, and Mr. Vickrey came to me then afterwards and said, "Say, it is too hard to put it on one map. Can we put it on two maps?" And I said, "Sure, that is fine, put it on two maps." Now, I don't even have the first map they promised me, and I don't have any new maps. By tomorrow night, it is my understanding, you are going to consider amendments to this bill. I wonder if it would be possible for you or Senator Collier to get the division to prepare those maps so that we can see what those divisions are.

CHAIRMAN HOLLIBAUGH: Mr. Vickrey is here now. Maybe he can help you out of this dilemma.

MR. VICKREY: Mr. Chairman, let's find out exactly what Mr. Dills wants. He says now that he wants to know the additions to the system that were put in the first report and the ones in the second report. And now, we are not making maps of that sort. Let's get this exactly here what maps he wants, and we will make them. I want to assure you that we will cooperate with you in any way we can.

ASSEMBLYMAN R. C. DILLS: I hope to believe that.

MR. VICKREY: Do you want the additions to the State Highway System put in with the first deficiency report?

ASSEMBLYMAN R. C. DILLS: You prepared, or someone prepared, for me a map showing the present State Highway System. That I have.

MR. VICKREY: That is right.

ASSEMBLYMAN R. C. DILLS: And then I asked if you would prepare for me another map showing the additions to the State Highway System by the third so-called critical deficiency, right?

MR. VICKREY: Do you mean the additions to the State Highway System?

ASSEMBLYMAN R. C. DILLS: No, I mean the additional roads, perhaps, that is what we should say. The additional roads which would be built if we adopted the first so-called critical deficiency.

MR. VICKREY: That map is being prepared, as I told you yesterday. We have maps already showing those two deficiency reports, but I think they are too large.

ASSEMBLYMAN R. C. DILLS: You brought over something that you had prepared for Senator Collier which didn't give these in legend of different colors so that we could see the distinction.

MR. VICKREY: The maps you want are now being prepared.

ASSEMBLYMAN R. C. DILLS: You think they are?

MR. VICKREY: I know that they are being made, if we know what you want.

ASSEMBLYMAN R. C. DILLS: So we won't have any further misunderstanding, you and Mr. Grumm are in disagreement as to what you can't do, whether it would be easier one way or another. If it is possible for you to make the map which you prepared for me first, and

place on that and indicate by some legend that would distinguish it from the present system the first critical deficiency, so-called, and then, add to it by another color, the so-called second deficiency, that would be satisfactory because then you could put in the superior class all the freeways over in the corner of that little map, as you now have for Los Angeles and the metropolitan areas. Is that clear?

MR. VICKREY: Well now, Mr. Dills, I am afraid that a map of that sort will not be of any use to you. If we take a map of California and put on that in color the first deficiency in detail and then the second in another color, you will just have a mass of color on a sheet of paper. I think we can make you one map showing the first and one the second, and we can put the expressways on them.

CHAIRMAN HOLLIBAUGH: And Mr. Dills can color them himself.

ASSEMBLYMAN R. C. DILLS: Mr. Vickrey's face is getting very red trying to get any kind of a map.

MR. VICKREY: Those maps we are making for you and I believe they will answer your purpose.

ASSEMBLYMAN R. C. DILLS: Those will indicate the two and three and four-lane highways as you did it on the original map?

MR. VICKREY: The first deficiency report will block out all the three-lane highways. The first proposed the widening of three-lane highways.

ASSEMBLYMAN R. C. DILLS: Then, isn't there somebody over there that can make this thing so that we can see the difference between the system as it is today with what you propose under the first critical deficiency and what you proposed under the second? Is that favor to us impossible of accomplishment by such competent engineers as you have?

MR. VICKREY: Mr. Dills, those maps are already made, as I told you yesterday and are in Mr. Collier's office, and they can bring them in here in 10 minutes.

ASSEMBLYMAN R. C. DILLS: I saw what you brought, but you did not have them in different colors so the members could see the difference.

ASSEMBLYMAN BURNS: What are you, color blind?

ASSEMBLYMAN R. C. DILLS: I am getting to be, I am getting awfully red here.

MR. VICKREY: I think we have the maps you want.

ASSEMBLYMAN R. C. DILLS: About what time would you have them ready?

CHAIRMAN HOLLIBAUGH: I am sure the department will help you out.

ASSEMBLYMAN BURNS: May I ask a question at this time? Couldn't Mr. Dills have another form or two?

ASSEMBLYMAN R. C. DILLS: I will take yours, sir.

CHAIRMAN HOLLIBAUGH: Loan him that one you have in your pocket.

Senator Collier, could I ask Mr. Zettel a question? I wanted to yesterday. I would like to ask one question about every two days. Yesterday, we were discussing the difference between license fees, truck tax fees and fuel taxes in comparison between California and other states. I made a memorandum here of something I wasn't clear on. It was testified to the other day, and I wanted to clear my mind on it. Are these fuel and license and truck taxes in these other states—it seems so exces-

sive compared with ours, are they used entirely for highway purposes or for other purposes, do you know?

MR. ZETTEL: The answer has to be made in two ways, sir. In many of the states, I'd say in the large majority of the states, now the taxes are used entirely for highway purposes. There are a few states, and this generally is true in the South more than in other regions of the Nation, that they use the gasoline tax for other purposes. The favorite purpose being education. That is true in a number of states in the South, Alabama I think, Florida, Mississippi, and some of those with a 7-cent gas tax.

CHAIRMAN HOLLIBAUGH: It would be pretty hard to make a fair comparison of ours with theirs unless we knew the uses.

MR. ZETTEL: That is correct. We could get a list.

CHAIRMAN HOLLIBAUGH: I didn't want that. There was another thing. You were discussing the 3 percent gross receipts tax, and I got the impression you thought the present gross receipts tax was a fair highway user revenue or tax. Did I understand you to say that?

MR. ZETTEL: We considered the gross receipts tax as a payment for highway use. There are a number of other states that levy gross receipts taxes on trucks. California has had a gross receipts tax on trucks since 1923. The major purpose of that tax, is seen, as to it highway use. As to the question of whether or not it is a fair tax, I suggested yesterday that we attempt to eliminate the gross receipts tax by proposing a mileage tax which would measure highway use, but I also stated that if the mileage tax were not adopted, it was in my opinion and some of the other members of the staff concurred in my opinion, that the gross receipts tax together with a weight tax which would apply to all vehicles would be the next best substitute, and in that we meant the gross receipts tax should be used to construct highways instead of going to the general fund.

CHAIRMAN HOLLIBAUGH: That is all I wanted to ask. Mr. Stewart.

ASSEMBLYMAN STEWART: I think, Mr. Zettel, in your testimony yesterday you stated, I believe that is what you stated that the increase in cost to the truck would be about 66 percent. Now, this increase in new money, according to you, I believe is about $9,000,000. Therefore, from your assumption we now have $13,000,000 of old money from trucks. Now, here is my question. Your $13,000,000 of old money is made up of approximately $6,000,000 in present truck fees, and $7,000,000 in gross receipts taxes, is that right?

MR. ZETTEL: That is correct.

ASSEMBLYMAN STEWART: Is it not also a fact that the gross receipts tax goes into the General Fund, and not the Highway Fund?

MR. ZETTEL: It goes into the General Fund at the present time.

ASSEMBLYMAN STEWART: And actually the new money you propose to raise is $16,000,000?

MR. ZETTEL: There would be $16,000,000 in additional money for highway purposes. The truck industry, as such, would pay, according to those figures, $9,000,000.

ASSEMBLYMAN STEWART: About how much increase would that be?

MR. ZETTEL: The sixteen or the nine?

ASSEMBLYMAN STEWART: What percentage would that be?

MR. ZETTEL: Well, I would have to clarify the question a little bit. Are you referring to the fact that the sixteen—are you comparing the

six and a half billion with sixteen million? If you are doing that the taxes are more than doubled. If you are comparing the thirteen and a half with the nine, I have not worked out the figures. I don't have them in my mind. I think it would be about 70 percent.

ASSEMBLYMAN STEWART: How much is the gross receipts tax?

MR. ZETTEL: About $7,000,000 a year.

ASSEMBLYMAN STEWART: Now, then, you propose to raise actually $16,000,000 new money to the Highway Fund. What increase would that be?

MR. ZETTEL: The increased amount of money that would go into the Highway Fund would be more than 100 percent increase since they are paying now only $6,500,000 into the Highway Fund, than—they would pay twenty-two and a half.

ASSEMBLYMAN STEWART: Probably 250 percent.

MR. ZETTEL: That is correct if you eliminate the gross receipts tax.

ASSEMBLYMAN STEWART. It is also evident from your statement that you propose to have the private carriers involve the gross receipts tax to the added burden?

MR. ZETTEL: That would be some shift from the burden for all hired carriers to private carriers in some instances.

As I stated yesterday, we feel that the gross receipts tax imposes too large a burden on certain for-hire carriers as compared to certain low-mileage, or high-mileage carriers, so there will be some shift, nonetheless. According to all estimates, for-hire carriers would still be paying the lion's share of the mileage tax.

ASSEMBLYMAN STEWART: I am not particularly interested in for-hire carriers. I am trying to find out what is going to happen to the private carriers, transportation purely incidental to the operation of his business.

MR. ZETTEL: Of the mileage tax alone, we estimate roughly that it will raise about $16,000,000 a year. Of that we have estimated—I just hurriedly worked out the figures a moment ago—the for-hire carriers would carry about twelve, and the private and he would carry about six.

ASSEMBLYMAN BECK: Mr. Zettel, yesterday you testified that there should be a higher tax upon the trucks because of their use of the highway, and you justified the one-mile tax upon trucks, and the purpose there, I assume, was that the trucks should pay a higher tax than the ordinary passenger car because of their use.

MR. ZETTEL: Because they weigh more and travel more, and the tax —the gas tax does not adequately measure the difference in weight and miles.

ASSEMBLYMAN BECK: Now, the second point is that you also gave figures which I think were convincing, tending to show that on a gallon of diesel you can go a great deal further, up to 50 percent, than on a gallon of gas, and, therefore, the tax on diesel trucks, as far as the diesel, itself, is concerned, should be at least more than the tax on gasoline. Carrying that to my question, why, if that is true that you balance the equities between trucks and passenger miles by your one-mile tax, why you should not tax the passenger cars for the use of gasoline, inasmuch as they can get two or three miles more on a gallon of gas than on a diesel; why the tax on passenger cars should not be, let us say, double the amount than the tax which is to be applied against trucks.

MR. ZETTEL: The reason is that we measure use of highways in terms of weight and mileage. The fact—While a passenger car might get some 16 miles to the gallon of fuel and weigh two tons, that would mean that it would get 32 ton-miles per gallon. Whereas, a truck which might weigh 24,000 pounds and get five miles, would get 60 ton-miles per gallon. In other words, with the gasoline tax alone the passenger car pays substantially more per ton-mile than does the truck. Gasoline consumption does not increase proportionately to the weight of the vehicle and the purpose of the mileage tax was simply to equalize that deficiency.

ASSEMBLYMAN BECK: Then, by the same reasoning, coming back to trucks, would you say gasoline used in a truck at a higher rate than the ordinary gasoline because they can get more mileage?

MR. ZETTEL: We recognize that there are differences in the efficiencies of fuel. We think it would be completely impractical to take all of those differences into consideration. No tax is completely equitable, as you know. Two passenger cars of exactly the same weight because of different carburetion or some other reason, may get different mileage. We did feel that the difference in proficiency of diesel and gasoline engines was sufficient to justify a differential.

ASSEMBLYMAN BECK: Well, this last question: If you tax diesel the same as gasoline, how much reduction in the annual revenue would it amount to?

MR. ZETTEL: At the 5-cent rate, I think it would be $3,000,000, or so.

ASSEMBLYMAN BECK: Not the total, now; this is the deduction at the present time under Senate Bill No. 5 as 7½ cents on diesel. If you reduced that to 5 cents, how much would it—how much would the amount of the reduction be?

MR. ZETTEL: As I recall, 1 cent of diesel tax brings in about $800,000, so that 2½ cents, you have reduced them both to 5 cents, would mean about $2,000,000.

ASSEMBLYMAN BECK: I thank you, sir.

CHAIRMAN HOLLIBAUGH: Mr. Waters.

ASSEMBLYMAN WATERS: I asked a question of an earlier witness some time last week and did not receive an answer to it. Did you have prepared a tabulation, or do you have available a list of all types of taxes imposed on the trucks? In other words, we have mentioned the gasoline tax, the diesel tax, the gross receipts tax, and so on. I would like, if possible, a comprehensive list of taxes imposed on the trucks throughout the various states. Is that available?

MR. ZETTEL: We can prepare a list. You mean, just highway users' taxes, such things as permit or property taxes?

ASSEMBLYMAN WATERS: Just highway users' tax.

MR. ZETTEL: Such as gas tax, registration fees, and the like? I think they are practically all covered by one or another of the voluminous reports, but we could prepare and extract a list.

ASSEMBLYMAN WATERS: I would appreciate it.

CHAIRMAN HOLLIBAUGH: Thank you. Senator Collier, will you subject yourself to some questioning? First on the list, Mr. Anderson, do you wish to ask Senator Collier some questions? You mentioned it a day or two ago.

ASSEMBLYMAN ANDERSON: Well, I wanted to ask a couple last night. There is one that I would like to get some information on. It is another one of these formulas—financial formulas on page 5 of the bill, Section 2111, given those—giving the counties, I believe, why they were increased from $25,000 a year per county to $50,000 a year per county. Section 2111 on page 5.

SENATOR COLLIER: You are talking about $50,000 or $5,000?

ASSEMBLYMAN ANDERSON: Well, $50,000 a year, as I read it here. Five thousand for each of the four months of the year, and then again, $7,500 for each of the four months, which, I believe, comes to $50,000 a year

SENATOR COLLIER: Where you see this $5,000, that is a quarterly figure, four times that being $20,000. That is in the bill to take care of engineering and administration, that is, that is put on the county by the legislation.

ASSEMBLYMAN ANDERSON: And then the $7,500?

SENATOR COLLIER: The $7,500 is a quarterly payment totaling $30,000 which is under the present law. Each county in the State gets $30,000 a year of the money before it is redistributed.

ASSEMBLYMAN ANDERSON. What are they using that for now?

SENATOR COLLIER: There is no change. They will use it for county roads. This is for engineering and for administration.

ASSEMBLYMAN ANDERSON: Would you justify that in case of, say, Alpine County, $20,000 a year. Is that a political formula, or another need formula?

SENATOR COLLIER: It is a need. I think too frequently—I will put it this way: The Legislature has forced new duties and new requirements upon the counties, and have not provided the funds. Take for instance, county auditors where in the past 10 years the Legislature has continually put new duties upon our county auditors, but the Legislature has not given the county auditor more money to do that work with. I will give you an example: The Old Age Welfare, putting those checks out each month. We run into the same payment plan during the moratorium of taxes. It took more work—put more work on the auditor's office, but the State never contributed any money. If we are going to put additional functions on the county, the Legislature should supply the money to take care of that function.

ASSEMBLYMAN ANDERSON: You think it justified to give Alpine $20,000 for engineering purposes, as compared to an equal $20,000 to San Bernardino or Los Angeles, who have a lot more detail.

SENATOR COLLIER: There is a difference between the two counties in that Los Angeles County or San Bernardino County, now has that system in effect. We are giving them $20,000 more to carry on the work they are now doing.

ASSEMBLYMAN ANDERSON: How much are you paying them now?

SENATOR COLLIER: The State is not paying anything now.

ASSEMBLYMAN ANDERSON: But you are going to give Alpine County the same as Los Angeles?

SENATOR COLLIER: I think an engineer's salary, whether he be in Alpine County, he would earn his salary there the same as he would down in the desert in San Bernardino County. The salary would be about the

same. The administration would be about the same. I think there is some justification. I don't think it is very far off.

ASSEMBLYMAN ANDERSON: Well, now, another question. I believe that the first day that you gentlemen were here in regard to this Section 251 in the bill.

SENATOR COLLIER: Which page?

ASSEMBLYMAN ANDERSON: I believe eight. Section 251. I believe that Senator Hatfield was there that time, and I believe he wanted a memorandum conveyed to us that there was going to be an amendment, or something, taking that section out of the bill, and all of the Senate was in favor of it.

SENATOR COLLIER: Senator Carter presented to your chairman the amendment to delete that.

ASSEMBLYMAN ANDERSON: Why was not that taken care of in the Senate? Why was it agreed upon to have it introduced over here? What is the story behind that?

SENATOR COLLIER: I think, many times we agree at the last moment. We suddenly find something that is, perhaps, a new law, and perhaps it isn't—the Legislative Counsel couldn't make up his mind, and in the closing moments of the passage of the bill we often do that. The author agrees to introduce legislation on the other side.

ASSEMBLYMAN ANDERSON: You mean the bill couldn't have been held up?

SENATOR COLLIER: It could have been, but it was not. It was not the desire of that house.

ASSEMBLYMAN ANDERSON: Then, on this same question as the private utilities question, why was that not settled in the Senate before it was sent over here, and why is it being put into a separate bill?

SENATOR COLLIER: I say that the question was settled as far as the amendment that appears on page 11, No. 288.1. That is settled. It was settled by the vote of the Senate.

ASSEMBLYMAN ANDERSON: You have, as I understand, a separate bill over there.

SENATOR COLLIER: Other feature, but that part was settled by the Senate.

ASSEMBLYMAN ANDERSON: What part wasn't settled?

SENATOR COLLIER: I don't know. The bill isn't drawn yet, but it covers broad features of new law, and we tried to keep out all new changes in the law from this bill. We tried to exclude all of those.

ASSEMBLYMAN ANDERSON: Well, the other day, I must have misunderstood you, then, because I understood you to say that you would put this amendment in, taking part of the cost of public utilities, but the private utilities were going to be taken care of in a separate bill.

SENATOR COLLIER: No, I said we are going to introduce—that is a legislative matter. I can't speak for the Legislature.

ASSEMBLYMAN ANDERSON: What was the recommendation of your committee on the subject of private utilities?

SENATOR COLLIER: The committee made no recommendation.

ASSEMBLYMAN ANDERSON: Why not?

SENATOR COLLIER: Well, because they didn't desire to, I presume.

ASSEMBLYMAN ANDERSON: Well, did they discuss and go into it?

SENATOR COLLIER: Only at the Santa Ana meeting. They did not consider that it warranted putting it in the report.

ASSEMBLYMAN ANDERSON: You mean they didn't consider the question of moving of public and private utilities enough to render an opinion on it?

SENATOR COLLIER: No, they did not.

ASSEMBLYMAN ANDERSON: Thank you.

CHAIRMAN HOLLIBAUGH: Mr Hawkins.

ASSEMBLYMAN HAWKINS: First, Senator Collier, with respect to Section 211 of the bill, which I think Mr. Anderson has just spoken of, that is, with respect to the $50,000 which is being allocated to the various counties.

SENATOR COLLIER: No, there isn't a $50,000 figure there. There are some quarterly figures

ASSEMBLYMAN HAWKINS: Well, 30 and 20 make 50, $50,000 to each party. That is the way I read the thing

SENATOR COLLIER: Well, there is $20,000 going for engineering purposes, and $30,000 that they are not getting under the present law for rural purposes.

ASSEMBLYMAN HAWKINS: Well, 20 and 30 make 50, which will go to each county, 20 for engineering and administration costs.

SENATOR COLLIER: Yes.

ASSEMBLYMAN HAWKINS: Regardless of size of the county and regardless of whether the county has a road commission, isn't that so?

SENATOR COLLIER: Well, they would not get the $20,000 unless they meet the requirements of this bill.

ASSEMBLYMAN HAWKINS: Let us say several counties go in together. Let us say three go in and have one commissioner. Each would receive $20,000, which would make 60. Another county might not do that and would receive only $20,000.

SENATOR COLLIER: I might tell you that if, using your example, if those three counties do not use all of it, it would come back to the state fund They have to use it for that purpose.

ASSEMBLYMAN HAWKINS: Aren't they going to use it, Senator? Isn't the temptation given to them to use it, rather than not use it by formula?

SENATOR COLLIER: Yes, the temptation is there, and purposely, Mr. Hawkins. Let me tell you why we deal with an engineer, instead of supervisors handling the road construction, we feel with the centralized administration there is a 50 to 20 percent betterment in the road, and that much more money gets into the roads because they are better built, and it is better road engineering and administration all along. We found in the counties, in many counties, the supervisors take the gas tax the Legislature has given them through legislation and divided it up just arbitrarily in different ways—they go their different ways and build the roads to suit themselves We have found with counties such as San Bernardino and Sacramento and many others, where they have centralized equipment and engineering, that there is a saving to the taxpayer by having that service, and we feel that we should, if possible, force it upon them. And the Supervisor's Association of the State went to great lengths to tell their members, and it was a very difficult job of telling the supervisor he could no longer handle his road fund and hire the people who would work on them; that he would have to get under an engineer if he

was to get his money. But it means better roads. The time has gone by when the ordinary man can build a road. Back in the days of the oxcart and wagons, the road wasn't a too difficult thing to be built, but in the days of the automobile and trucks, it is a scientific matter and takes a man trained in that field, and we hope it does entice them to spend their money for that purpose.

ASSEMBLYMAN HAWKINS: But each county doesn't have to have their road commissioner. Several counties can go in and divide up the services of the road commissioner. In other words, making it possible for several of the smaller counties each to receive $20,000, but not to employ the individual that you said should be employed in that county

SENATOR COLLIER: Well, it isn't necessary that he actually live in that county. With the transportation we have today it is possible for people to get around very quickly, and if they find that two or three counties go together and manage their affairs, that way, if they don't use that money, they don't get the—get it unless they use it.

ASSEMBLYMAN HAWKINS: But they are entitled to

SENATOR COLLIER: Yes, but if they don't use it, they don't get it.

ASSEMBLYMAN HAWKINS: Now, with respect to Section 4 of the bill on page 13 I am also interested in that formula in which you set up a new formula for allocating the first one-third of the money, one-half of the money in each county group, and the second two-thirds on a 45-55 percent basis. I am interested in the reasoning behind that formula Just how it is that you arrived at that particular one, and not, let us say, two-thirds on the 45 to 55 percent basis, some other formula. What is the reasoning behind that particular one, and what does it amount to? Why is it that you separate it on a one-third, two-thirds basis?

SENATOR COLLIER: In the first place, we figure that under this bill, one-third of the money is what you now have under that formula. The money is now divided 49 and 51. That is the present allocation, and dividing the State, the 13 southern counties as against the northern 45, that was something worked out prior to your and my coming to the Legislature. Now, as to the new money, the new money is to be allocated 45—that is the other two-thirds—45 percent of the remaining two-thirds shall be allocated to the southern 13, and the 55—pardon me—the 45. That is new money. We felt that that was equitable.

ASSEMBLYMAN HAWKINS: Do you know what it ends up as being? In what percentage?

SENATOR COLLIER: Yes, taking the two figures together, it would give the north—then—taking the north—taking the one-third and the two-thirds of the old money, it would give the north a percentage of 46⅔, and would give the southern 13 counties 53⅓, and I might also say that there is a difference in the critical deficiency between the north and the south. Now, the critical deficiencies of the north are $987,860,000, or 57 percent; while the critical deficiencies for the south are $735,664,000, or 43 percent. With the critical deficiency only 43 percent, they are getting 53 percent of the money, while, with the critical deficiency of 57 percent in the north, they are only receiving 46⅔ percent of the money.

ASSEMBLYMAN HAWKINS: Yes, but then you go over on the Mayo amendment which reverses the process, and, again, on the next page you arrive on—at a new formula. What is the reasoning behind that formula?

SENATOR COLLIER: The Mayo amendment only states that in certain periods of time it has—it is controlled by the north and south formula, and in certain periods of time, five-year periods, 25 percent of the money must be spent in certain counties. It doesn't change the north and south formula.

ASSEMBLYMAN HAWKINS: What is the reasoning behind the formula now, and why the requirement that 25 percent must be spent in a particular county?

SENATOR COLLIER: Senator Mayo put that in himself. I think his reasoning was that he wanted assurance—he must be here—I think he wanted assurance, or some type of control on the commissioners, that they wouldn't spend certain sums that are shown up in that critical deficiency which includes the 67.5 miles of city streets.

ASSEMBLYMAN HAWKINS: Then, I assume that the Senator thought it was unwise to leave the particular matter up to the Highway Commission.

SENATOR COLLIER: I think that was Senator Mayo's idea.

ASSEMBLYMAN HAWKINS: Then, would you venture a guess as to whether or not we should probably assume greater control over the Highway Commission, then, inasmuch as you have seen fit to provide some control, at least, you implied that the Highway Commission should not be allowed complete autonomy in the matter of the highway program of this State. Inasmuch as you adopted this amendment, would you therefore oppose this body's writing into this bill additional amendments in the matter of budgetary control over the Highway Department?

SENATOR COLLIER: Well, I have always been against delegation of legislative authority, and if we do it with the Fish and Game Commission, and perhaps you yourself did that, I voted against it. If I had been in the Legislature at the time the Legislature delegated the legislative authority to an executive appointed commission, I think I would certainly vote against it. I am against any delegation by the Legislature of this authority, but since you do have a commission, and the commission seems to have worked fairly satisfactorily, and I think satisfactorily to the people of California, but not so satisfactory to us of the Legislature who come time after time pleading with them to take care of projects in our district that we think should be taken care of, and we do not get them taken care of; perhaps we should like some control of them. Now, as to the extent of the programs audit and pre-audit might be the solution.

ASSEMBLYMAN HAWKINS: Then, why do you use that reasoning in the matter of the Mayo amendment? Why did you think it desirable and necessary to obtain this control, but you deny this control should be written in with respect to the other matters affecting the highway program?

SENATOR COLLIER: That did not come up in the Senate.

ASSEMBLYMAN HAWKINS: The Senate wrote this amendment.

SENATOR COLLIER: Mr. Hawkins, you know amendments get into measures, you know, that perhaps the author isn't too thoroughly in accord with, but they do get in there. This got in there by virtue of 21 votes. That is a pretty good rule.

ASSEMBLYMAN HAWKINS: Then, you would agree on the taking out such a matter as that?

SENATOR COLLIER: The majority rules, but I do have the other side of the house who looked the matter over the second time.

ASSEMBLYMAN HAWKINS: Thank you, Senator.

CHAIRMAN HOLLIBAUGH: Mr. Waters.

ASSEMBLYMAN WATERS: Senator, both Mr. Anderson and Hawkins discussed to some degree these funds that are payable to the counties under the formula now in Senate Bill No. 5, this $7,500 payable quarterly and this $30,000 on an annual basis, as provided on page 5, line 35. Just what is the exact purpose? There is no purpose specified in that, whereas you have it specified for item A, under the same section.

SENATOR COLLIER: Well, item A is a new purpose. Item A is to the engineering and centralized administration. Item B is old law. It is the present allocation to each county in the State, $30,000. That is no change. The theory in Senate Bill No. 5 as to allocation is not to disturb the present allocation; the present money, but to set up new allocations for the new money. So, item B has not been disturbed.

ASSEMBLYMAN WATERS: Well, I am not entirely familiar with the old law on this matter. What is the purpose of the $7,500?

SENATOR COLLIER: Well, the $7,500 is for the State Gas Tax Fund to be used on county roads.

ASSEMBLYMAN WATERS: Concessions?

SENATOR COLLIER: Yes.

ASSEMBLYMAN WATERS: This does differ, then, from the present formula?

SENATOR COLLIER: The $7,500 does not differ. The $5,000 is a new thing in law.

ASSEMBLYMAN WATERS: Is this new formula, insofar as the $5,000 is concerned, is that the result of the deliberations of your committee or the Transportation Committee?

SENATOR COLLIER: No, it is a result of the study of the committee trying to get more efficiency into your counties in the building of the county roads and get more roads.

ASSEMBLYMAN WATERS: What committee?

SENATOR COLLIER: This the joint committee.

ASSEMBLYMAN WATERS: It was in the specific recommendation of the joint committee?

SENATOR COLLIER: Yes.

ASSEMBLYMAN WATERS: Put in Senate Bill No. 5 by whom?

SENATOR COLLIER: By myself.

ASSEMBLYMAN WATERS: That was your measure?

SENATOR COLLIER: Yes.

ASSEMBLYMAN WATERS: Thank you. Insofar as the allocation of money to the counties, now, you have $7,500 payable for each mile of the maintained county roads quarterly, resulting in $300 annually. Perhaps you can define "maintained county road miles?"

SENATOR COLLIER: Well, it is meant that they will have to set aside the mileage the county has been keeping up. They have to certify to that. Many roads have grown up in the State in the back country and no one knows where they came from or how they got there, private roads, originally. They might be counted in as mileage in order to get this money, but in order to limit it, we went in and said "maintained county mileage." In other words, what roads the supervisors were maintaining.

ASSEMBLYMAN WATERS: Upon occasion, I believe, I have seen dirt roads in some of these back counties were occasionally graded. Would that constitute a county road?

SENATOR COLLIER: I think in the broad interpretation it would.

ASSEMBLYMAN WATERS: Is this $300 maximum, is that for purposes of maintenance alone, or for the construction?

SENATOR COLLIER: Well, I think it would be used for either. Whatever the supervisors or the governing bodies decided.

ASSEMBLYMAN WATERS: The county, then, will have complete discretion in the employment of these funds?

SENATOR COLLIER: Yes, the only thing would be that they would have to go on these "maintained mileage roads."

ASSEMBLYMAN WATERS: Is this a formula of the joint committee?

SENATOR COLLIER: Yes.

ASSEMBLYMAN WATERS: Is that formula contained in the tentative committee report?

SENATOR COLLIER: The report I do not believe touched upon the county road system to that extent.

ASSEMBLYMAN WATERS: Who introduced this particular formula into Senate Bill No. 5?

SENATOR COLLIER: I think the committee, in trying to equalize maintenance of money throughout the State developed it. We found some counties in the State were receiving from gasoline tax because it was directed on a population basis, $1,200 a mile, and they had small county mileage. We found some counties that had large county mileages were only getting $52 a mile, and they perhaps had much more difficult terrain. It is an attempt to equalize these funds throughout the State because the Legislature in its wisdom, has made it so that any type of vehicle can go upon any type of road and has practically taken that jurisdiction away from the counties. So, if a truck from Los Angeles County goes out to transport cars it expects to find some type of county road upon which it can travel. If you are going to use highway users funds you must use them state-wide so our vehicles can find adequate roads wherever they are taken.

ASSEMBLYMAN WATERS: You state, then, that this is the result of the Senate Transportation Committee?

SENATOR COLLIER: Well, the work of the committee.

ASSEMBLYMAN WATERS: Which committee?

SENATOR COLLIER: Well, the joint interim committee.

ASSEMBLYMAN WATERS: Were there hearings on this particular formula?

SENATOR COLLIER: I think, more in principle, than the exact dollars. I think that the $300 sum first arose in the meeting in Jackson, Amador County. In many of our meetings it seemed to us there that that was a proper amount.

ASSEMBLYMAN WATERS: Was the formula itself worked out in the open hearings?

SENATOR COLLIER: I think the formula— Yes, it came from Senator Dillinger, first. I think he was the spark that started the idea. It came at that meeting in the Mother Lode.

ASSEMBLYMAN WATERS: I am not entirely familiar with the past work of the committee. I wonder, are there transcripts to which I can

be referred to ascertain the proceedings that were held in some of the committees in determining the formula?

SENATOR COLLIER: I think that at practically all of the meetings transcripts were taken. I think the germ of the $300 a mile developed at that meeting, and it was further developed by that meeting.

ASSEMBLYMAN WATERS: Which committee?

SENATOR COLLIER: The same Joint Fact-Finding Committee, and I think, further, in drawing that bill some of these figures are a compromise between the supervisors bill and they are also interested in good roads.

ASSEMBLYMAN WATERS: Did those organizations make specific recommendations before either your Joint Fact-Finding Committee or your Senate Transportation?

SENATOR COLLIER: I think that all through both committee hearings they always appeared, and, of course, both sides were putting forth their ideas of how this should be accomplished on the city streets and the highway program and the county roads, and each side seemed to be having their say, and it developed over a long period of time; and, I think the way it actually got into the bill was rather a meeting of the minds.

ASSEMBLYMAN WATERS: Well, I appreciate that you have extended the hearings and the work over a long period of time, but what I am particularly interested in is whether or not there is a specific presentation by the municipalities and the supervisors organization, a specific presentation to either your Senate Transportation Committee or your Joint Fact-Finding Committee.

SENATOR COLLIER: As to this specific amount?

ASSEMBLYMAN WATERS: Yes.

SENATOR COLLIER: I don't think so. I think that was a matter of compromise.

ASSEMBLYMAN WATERS: Well, then, the committee, after this compromise—

SENATOR COLLIER: (Interrupting)—Let me get that—the idea of the committee was to develop the principle and leave the compromise in the matter of judgment of revenues and deciding the rates of revenues—decided to leave that to the Legislature and those who are interested in that program have adjusted those compromises among themselves.

ASSEMBLYMAN WATERS: That was not one of the original provisions in your omnibus Senate bill file, was it?

SENATOR COLLIER: No, it was not.

ASSEMBLYMAN WATERS: At what time was it introduced into the bill?

SENATOR COLLIER: I think it came in—I am not positive, but I think that it came in at the time the Senate Transportation Committee held hearings.

ASSEMBLYMAN WATERS: Is there any record on your committee hearings on it?

SENATOR COLLIER: I don't know whether the foreman kept the records or not.

ASSEMBLYMAN WATERS: Did you say whose specific amendment that was?

SENATOR COLLIER: I just say the germ of the idea came from Senator Dillinger, and it developed among others that there must be

some kind of equalization. I think he was the first to come out with the idea of the $300 a mile. It came out in the Joint Fact-Finding Committee.

ASSEMBLYMAN WATERS: Who offered the specific amendments to the committee?

SENATOR COLLIER: I don't remember now. I am told that Supervisor Gustaphson of Los Angeles also put forth this idea of the $300 a mile.

ASSEMBLYMAN WATERS: Is there information in the transcript of the Senate Transportation Committee proceedings?

SENATOR COLLIER: We did not take transcripts like you are doing here. We only take—we did not have the funds to take the whole hearing, as you folks have had.

ASSEMBLYMAN WATERS: Would there be in any way some way which I could ascertain who did offer the amendment? I would like to know who was the author, Senator.

SENATOR COLLIER: I am informed that we have a copy of Supervisor Gustaphson's memorandum in the office bringing forth the idea.

ASSEMBLYMAN WATERS: I am interested in the name of the exact author of the amendment. I know you have contributed to the creation of the general principle. There must have been just one man who presented the amendment.

SENATOR COLLIER: If you want to get down to actually who originated it, I think the author of the bill was the author. I think it went in at the time a great many went in.

ASSEMBLYMAN WATERS: That would be your amendment, then?

SENATOR COLLIER: Yes.

ASSEMBLYMAN WATERS: What is the maximum amount of money that each county can receive for a maintained mile of county road under this formula?

SENATOR COLLIER: You will pardon me, I will let Mr. Zettel answer that for you.

MR. ZETTEL: Mr. Waters, some of the counties will not fall in the equalization money. Some of those counties are the ones who will be getting the maximum. For example, Alameda County, while it gets more assistance from the $300 a mile or the additional amount of the $600 a mile, at the present time under the present formula will receive about $2800 per mile. Los Angeles County will not share in the $300 a mile or the additional amount of the $600 a mile. Los Angeles County now receives or will receive, we estimate next year, $2479 per mile. Those counties which will follow will first get money to $300 a mile. That is, those that do not already receive $300 per mile, which most of the populated counties receive more than $300 a mile because of their registrations. I have the list here of the allocations per mile of the gas tax under the present system. However, I do not have the list as to those counties which will get more than $300 a mile as a result of these amendments.

ASSEMBLYMAN WATERS: Could such a list be compiled?

MR. ZETTEL: I have to be sure as to exactly what you are interested in. In that regard we could—you have this analysis of the bill.

ASSEMBLYMAN WATERS: What I am interested in specifically is that some of the different roads in the back counties which are occasionally

scraped with a grader, apparently come in for a maximum of $600 a mile.

MR. ZETTEL: They might get up to a maximum of $600 a mile. I do not believe the funds are available to bring them up to $600. The way the formula is written at the present time, all counties are brought up to $300 a mile, then there is a small amount of money left over, and that is divided one-half on the basis of registrations and the other half on the basis of the mileage of those counties which do not get $600 a mile. So that you have additional allocations to a number of counties which would bring some of them over $600 a mile, and not bring others quite up to $600 a mile. For example, if a county got $580 a mile, it would show in this fourth grant, I guess you would call it, if you started listing them and would get more than $600 a mile, whereas, another county might get $300 a mile with its other equalization, and it would share equally and what now might not bring it up to $600 a mile. In other words, I would have to work out the figures for it to see which counties would be getting it. Some would get more, and some less.

ASSEMBLYMAN WATERS: If you can prepare that I would appreciate it. I raised this point somewhat earlier in the hearing, and I would like to get your opinion on it I notice the table on page 82 in your large report here, that will be under the Lindman Report, page 82, Table 30 —page 83 of the Zettel Report. The only point I wanted to make there, Senator, was that what I know of some counties could not raise any funds for purposes of road construction, some do go up to the extent of 44 cents and 30 cents and so on. I just wanted your opinion on that. Is it proper for these counties to rely entirely on state funds for these purposes?

SENATOR COLLIER: My opinion is that they should help themselves as much as possible and ask the State to help them after that, and your people from Los Angeles who have gone on trips in the back country with me in my own county know I told my own people that they must help themselves to the full limit.

ASSEMBLYMAN WATERS: Each county would be required to make the minimum tax levy before—

SENATOR COLLIER: That would be up to you.

ASSEMBLYMAN WATERS: Then, your personal opinion is that you are in accord with that approach?

SENATOR COLLIER: I do not know. I would have to see what the situation was of the moment. I might say, my county has a 30-cent levy, the maximum under the Constitution.

ASSEMBLYMAN WATERS: Then, that would accord with your personal belief?

SENATOR COLLIER: Yes, it might not be the solution at the moment here. May I ask, by the same token, would you ask that that be done in Los Angeles County?

ASSEMBLYMAN WATERS: I believe it would be a fair proposition, Senator. I am personally from a highly built up section In my particular area they have a lot of businesses there, and it is supposed the program will funnel all the traffic past these businesses to the detriment of the merchants in my area. At the same time, it is going to benefit certain other areas, and I personally feel that there should be some equalization on that alone. Insofar as the allocation of the money to the cities is concerned, the bill now provides that five-eighths of a cent per gallon of gas tax be allocated annually, is that correct?

SENATOR COLLIER: That is correct, yes.

ASSEMBLYMAN WATERS: Is it required in the bill that this sum be expended annually?

MR. ZETTEL: As I understand that provision, if I may answer, there would be no change in the present provisions, and at the present time the cities do accumulate money, some of the smaller cities particularly accumulate money. This money is in the State Highway Fund. There is no change in the procedure set up except that the amount, of course, is increased.

ASSEMBLYMAN WATERS: Well, I have been unable to find a specific provision requiring the expenditure of this, and I believe the way it is written, it is susceptible to the impression that annual expenditures must be made.

MR. ZETTEL: I think it is the present law. It is my understanding that there is no intention to change the present law, that these cities could accumulate the money as many of the smaller cities are doing at the present time They can accumulate it for a number of years until they have enough to complete a particular project.

ASSEMBLYMAN WATERS: Senator, just how do those proposed allocations differ from the present allocations?

SENATOR COLLIER: As to size—no change.

ASSEMBLYMAN WATERS: But there is an increase.

SENATOR COLLIER: That is right.

ASSEMBLYMAN WATERS: That is the only change. Upon whose sponsorship was that particular change presented to your committee?

SENATOR COLLIER: What change, the increase?

ASSEMBLYMAN WATERS: The increase.

SENATOR COLLIER: Naturally, by the cities.

ASSEMBLYMAN WATERS: Which group?

SENATOR COLLIER: Well, I think the California League of Cities, naturally, was interested in seeing that the cities got more money, and civic leaders in your own area have been very anxious to see more state funds to help out your situation.

ASSEMBLYMAN WATERS: Do you recall whose amendment that was in the bill?

SENATOR COLLIER: That is part of the bill.

ASSEMBLYMAN WATERS: Part of the bill?

SENATOR COLLIER: No, it was in with those amendments at the same time as the county of $300.

ASSEMBLYMAN WATERS: That would be another one, another amendment?

SENATOR COLLIER: Yes.

ASSEMBLYMAN WATERS: Going to another point, Senator, it has been brought to my attention that there has been expression of policy on the part of the decision on highways that public utilities, both privately and publicly owned, will not be permitted the use of freeways, the central portions, or any of those areas. Did the fact-finding committee consider this particular problem?

SENATOR COLLIER: No, we did not.

ASSEMBLYMAN WATERS: Was that matter brought to the attention of the Senate Transportation Committee?

SENATOR COLLIER: No, it was not.

ASSEMBLYMAN WATERS: Do you have a personal opinion, then, so far as that is concerned?

SENATOR COLLIER: As to that?

ASSEMBLYMAN WATERS: As to that.

SENATOR COLLIER: Well, I think the utilities should be treated the same.

ASSEMBLYMAN WATERS: You believe that we should write a provision to the bill dictating a policy to the Division of Highways stating definitely that the utilities should be permitted the use of these freeways, and so forth, insofar as it does not interfere with their use.

SENATOR COLLIER: I have agreed to introduce a bill on that subject, which is now being written. It is very complicated and highly technical, as you know, and it is something that needs a lot of study and should be worked out in separate measure. Some portion of it, a very narrow portion of it, might be put in this bill.

ASSEMBLYMAN WATERS: Was an opportunity given to the various utilities boards to present their particular aspects on the problem to the Joint Fact-Finding Committee?

SENATOR COLLIER: At Santa Ana a large part of the meeting was taken up on that subject.

ASSEMBLYMAN WATERS: Thank you, Senator, that is all I have.

CHAIRMAN HOLLIBAUGH: Mr. Geddes.

ASSEMBLYMAN GEDDES: Senator, I won't make this very long. I know you want to get away. You have been very patient this afternoon. These questions are more or less personal, that is, to me, but for the purpose of the record, from the transcriptions that have been taken of these hearings, I direct your attention to page 54 of Assembly Journal for March 12th. I will read it to you and you can verify it later. I asked some questions of Mr. Baker, and then Mr. Baker replied as follows—I think he is one of the members of the Highway Commission. We were talking about a figure of $100,000,000, to which I will refer in a moment. He said there, "In answer to that, Mr. Geddes, I might say that the commission was charged by the Legislature, and by the Governor, in preparing a postwar program, as you gentlemen remember, you voted an additional $12,000,000 to the Highway Commission in 1943 to be used for the purpose of acquiring rights of way and engineering to get a postwar program ready to go—put in action when the war was over."

Were you in the Legislature in 1943?

SENATOR COLLIER: Yes.

ASSEMBLYMAN GEDDES: The present Governor was Governor then?

SENATOR COLLIER: That is right.

ASSEMBLYMAN GEDDES: And he recommended that appropriation be made, and the Legislature passed it?

SENATOR COLLIER: I don't know whether he recommended it or not.

ASSEMBLYMAN GEDDES: He signed it, didn't he?

SENATOR COLLIER: Yes.

ASSEMBLYMAN GEDDES: Was any question, that you remember, raised as to its constitutionality?

SENATOR COLLIER: None that I heard.

ASSEMBLYMAN GEDDES: Now, referring to this $100,000,000 that we are speaking about in the Assembly Journal of March 11th on page 10, the second paragraph, Mr. Purcell was making his considered statement. He said, "The Division of Highways has prepared and submitted to the Legislature a budget for the next fiscal year. A copy of this budget is being furnished your committee today. It shows an estimated income of $69,767,000. It shows also the allocation to administration, maintenance, highway planning, maintenance and operation of the San Fran-

cisco-Oakland Bay Bridge, and other items which must be taken care of with highway funds. After all these items are taken care of, there is available for construction projects approximately $27,000,000, and $6,000,000 for the purchase of rights of way. In other words, the department will be able to expend for construction work during the next fiscal year only $27,000,000 unless additional funds are provided.

"The Division of Highways has additional plans prepared for approximately $40,000,000 worth of work that could be let to contract during the next fiscal year if sufficient funds were available to cover that work. It also has plans in preparation amounting to approximately $100,000,000 that can be quickly completed and made ready to let to contract. This preparation of plans is in accord with the express policy of the Legislature," and so forth.

All this leads up to this particular question, if a sum equal to this $69,767,000 or to put it in round numbers—$70,000,000 is provided, then the department would have the $27,000,000 which they claim is all that would be let in June, plus such additional amounts; would they be able to go to work and provide practically that $100,000,000 worth of highways that they say they have all ready on the drafting board, practically ready to go?

SENATOR COLLIER: Where are you going to get this additional money from?

ASSEMBLYMAN GEDDES: Well, that is the $70,000,000 question.

SENATOR COLLIER: I am interested in that too, where the money is coming from.

ASSEMBLYMAN GEDDES: Wait a minute, we have said the Highway Division has introduced testimony that they have $40,000,000 prepared and $100,000,000 ready to go. Therefore, they want more money. Do you believe, and I think that you of all the Legislature are probably in closer touch with this whole program, do you believe that if they had this $40,000,000 and this $100,000,000 immediately available, then they could get right down to work and give the people of California some highways?

SENATOR COLLIER: I will answer you, and, then, you answer me. I will say "yes," and you tell me where the money is coming from.

ASSEMBLYMAN GEDDES: As far as I am concerned, I am trying to give the Legislature an opportunity to provide it. It is coming from the General Fund, the same place we got the $12,000,000 in 1943, and the same place, as testified by the Legislative Auditor, we are going to get the $6,500,000.

SENATOR COLLIER: I just wanted to say to you that the whole theory of Senate Bill No. 5 is the "pay as you go" plan to be paid by those who use the highways, and it was never intended that we should use sales tax money or other money for highway purposes. I, personally, if that is your bill and you are taking money away from the school kids out of the sales tax, would vote against your measure.

ASSEMBLYMAN GEDDES: I imagine that you would vote against the measure, but I hope it would be for a good reason.

SENATOR COLLIER: That is right.

ASSEMBLYMAN GEDDES: We are called in special session here because highways are more important than school kids, housing, or anything else. I call your attention to today's paper which said that the State General Fund as compared with last year is $292,000,000 as compared with $136,000,000 last year at the same time. We have had that much of an increase.

I think that we could probably squeeze out a few pennies, particularly, that you will remember that there is about $45,000,000 in the General Fund which has come in from a fund that this bill proposes to divert from the General Fund to highway purposes. But that is argumentative. In other words, we have a General Fund on one hand and you pay as you go, but the point is that by doing this job immediately, by the gasoline tax money from whatever source, even in Senate Bill No. 5, without touching Senate Bill No. 5, we would have more money to do the job immediately than we could under the proposed program, where it is proposed to devote the amount of the immediate money to the freeways in Los Angeles and San Francisco, and they are the cities that have got them ear-marked. Isn't that so?

SENATOR COLLIER: I don't know. I thought you were continuing your argument and I didn't pay any attention. I thought you had long forgotten to ask me the question.

Let me tell you as long as you are making an argument that I have had measures in this Legislature to take the 3 percent tax, not out of the General Fund, but to put it in the Highway Fund. All these years the trucking industry, itself, was against it because, if it was in the Highway Fund, they would never be able to get rid of it, and their purpose was to get rid of the tax, not the highways.

ASSEMBLYMAN GEDDES: I agree. Now, if it could have been done in the past, we can do it now.

SENATOR COLLIER: That is what I propose by Senate Bill No. 5.

ASSEMBLYMAN GEDDES: That is right. Now, I am very much interested, and this isn't really a question, Senator, but I agree with against the delegation of authority to other bureaus and commissions. I know we feel that same way about that. The only place that I differ is that it is too late. One final question: You stated, I think it was yesterday, that the Joint Highway Committee intended to file a final report?

SENATOR COLLIER: I think one of the staff stated that.

ASSEMBLYMAN GEDDES: I was wondering when the intention is to file that final report, after the passage of Senate Bill No. 5, some other measure, or after we have adjourned, or before the bill is finally heard, or what?

SENATOR COLLIER: To tell you the truth, Mr. Geddes, I haven't thought about it. I have been so busy, I haven't had time to think about that.

ASSEMBLYMAN GEDDES: In other words, the final report isn't going to have much drawing on this particular piece of legislation.

SENATOR COLLIER: We don't think the final report will have bearing on this portion of the legislation, as necessary to accomplish its purpose. I think the idea of the final report would include other things.

ASSEMBLYMAN GEDDES: And I have one final question. Do you know where that plastic map went to that was downstairs. I have some of my constituents up here and they were very anxious to see it.

SENATOR COLLIER: Well, that was a beautiful map, and I think that was one of the most educational things that we did. Many times I have stood by the map and looked it over and over again. The housewives and people would come up and examine it and I would say, "What is that?" And the housewives would begin to tell me what the map was about. I think it should be shown all over California.

ASSEMBLYMAN GEDDES: I agree with you, and I think the Legislature might take some of these complicated plans, and then look and see where

this highway traffic is and why it is so heavy and where the roads are going to be that we can accept within the next 10 years are included on that map.

SENATOR COLLIER: Mr. Geddes, that map was taken down to the Orange Bowl in San Bernardino County where thousands of people can see it.

ASSEMBLYMAN GEDDES: And we haven't received a single postcard from San Bernardino.

(Laughter)

CHAIRMAN HOLLIBAUGH: Mr. Dills.

ASSEMBLYMAN RALPH C. DILLS: Senator Collier—thank goodness we all have a sense of humor—in the majority report—this isn't an argument I have, so you can listen.

SENATOR COLLIER: Thank you for letting me know ahead of time.

ASSEMBLYMAN RALPH C. DILLS: In the report which constituted the majority report of your committee at page 10, you stated substantially as follows—well, exactly as follows.

SENATOR COLLIER: What paragraph?

ASSEMBLYMAN RALPH C. DILLS: Next to the last, beginning with the word "under," page 10 at the bottom of the page.

"Under the general plan of administration recommended in this report, it is not intended that the California Highway Commission shall take over the letting of contracts, actual construction and other functions now in charge of county and city authorities. The committee believes it desirable to maintain a maximum of local responsibility and authority. But it also believes that the Legislature in appropriating state funds is charged with the duty of providing state supervision over the expenditure of these funds. Therefore, it is contemplated that the California Highway Commission will be given a rule of general supervision and responsibility for successfully carrying out the highway improvement program. Under the circumstances it is imperative that highway organizational defects in the existing system be corrected."

Is there anywhere in Senate Bill No. 5 that you have written these recommendations into the bill?

SENATOR COLLIER: I did want to say I have a Senate bill now that is before the Senate Transportation Committee embodying that principle

ASSEMBLYMAN RALPH C. DILLS: But it is not in Senate Bill No. 5.

SENATOR COLLIER: Not in Senate Bill No. 5.

ASSEMBLYMAN RALPH C. DILLS: Would you think it desirable to put it into the bill?

SENATOR COLLIER: I think it is a good principle, yes.

ASSEMBLYMAN RALPH C. DILLS: Well, assuming that there might be some delay in getting your bill through, and this session might adjourn without your bill being on the Governor's desk, wouldn't it be advisable to write it into Senate Bill No. 5?

SENATOR COLLIER: I think, since you have taken such an active part in the prosecution of this bill, it might be well for you to prepare the amendment and try to get it in. I think that is your prerogative.

ASSEMBLYMAN RALPH C. DILLS: That is as far as you intend to pursue it, to throw the burden over to somebody else?

SENATOR COLLIER: No, I intend to bring my own bill up, which is in the house in which I have control. That is before the committee and I still have control over that bill.

ASSEMBLYMAN RALPH C. DILLS: That is interesting.

SENATOR COLLIER: It is not interesting. It is just a legislative process.

ASSEMBLYMAN RALPH C. DILLS: You do not intend to submit amendments to write it into Senate Bill No. 5?

SENATOR COLLIER: I don't know whether I am going to get a chance to submit any amendments or not.

ASSEMBLYMAN RALPH C. DILLS. Well, I understand that, according to Mr. Boyd.

SENATOR COLLIER: (Interrupting) I heard that was an executive session.

ASSEMBLYMAN RALPH C. DILLS: Under executive session in the Assembly you can get in, we can't get in on your side.

SENATOR COLLIER: I don't think we have executive sessions.

ASSEMBLYMAN RALPH C. DILLS: Oh, you don't?

CHAIRMAN HOLLIBAUGH: He hasn't been on the Senate floor at all or he wouldn't say that.

SENATOR COLLIER: I just want to make one correction that Mr. Boyd is not my spokesman. My amiable Assemblyman here, Assemblyman Burns, is my spokesman, and he is a member of the committee.

ASSEMBLYMAN RALPH C. DILLS: He is a good spokesman, too.

SENATOR COLLIER: He is a fine fellow.

ASSEMBLYMAN RALPH C. DILLS: He is getting better because he is starting to needle me. That is a good sign.

And now, Senator Collier, I wanted to ask you if your committee has any figures to show the amount of moneys on hand in either the city or the county funds, which moneys could be used for highway construction purposes.

SENATOR COLLIER: Yes, we have.

ASSEMBLYMAN RALPH C. DILLS: Are those available in printed form in any of the Journals or otherwise?

MR. ZETTEL: We do not have the figures as of today. We printed in the Lindman Report the amount available to the counties at the beginning of the program.

ASSEMBLYMAN RALPH C. DILLS: That was how long ago?

MR. ZETTEL: That was July 1, 1945. That was the last date checked by the Division of Highways, which is the only agency now that collects comprehensive statistics from counties with regard to their own expenditures. That information of the counties is somewhat difficult to get and it takes a considerable amount of time. As a matter of fact, that is one of the reasons that the Senate Bill No. 5 provisions for more adequate reporting.

ASSEMBLYMAN RALPH C. DILLS: There are those provisions in Senate Bill No. 5?

MR. ZETTEL: There are provisions in Senate Bill No. 5 for more adequate reporting of expenditures of funds by counties and by cities.

ASSEMBLYMAN RALPH C. DILLS: Could you direct my attention to the sections of it. I don't want to delay you, because if it is necessary to draw up amendments as suggested by Senator Collier why we would like to know to what portion we could direct them.

MR. ZETTEL: Chapter 4 on page 7 of the bill deals with the county reports and audits of the expenditures of counties and cities.

ASSEMBLYMAN RALPH C. DILLS: And now, of your independent knowledge, from your knowledge as a technical member of the Collier committee, do you know whether the Division of Highways has any

information with respect of the amount of balances in the county or city funds later than the date which you have?

MR. ZETTEL: So far as I know they do not. Those figures that we got came out a few months ago. They have an auditor, this is in the highway planning survey, and it is conducted in cooperation with the United States Public Roads Administration.

ASSEMBLYMAN RALPH C. DILLS: Don't you think, insofar as they constitute moneys which could be spent on the building of roads, that we as the Legislature ought to have that up to date?

MR. ZETTEL: It would be desirable to have it. The agency stated that we have as of July 1, 1945, we haven't any amount that those cities or counties have in state funds. It is not a normal practice for the local governments, of course, to accumulate property tax money for highway construction, so that money they would have in their fund would be moneys which they received from the State or which are on deposit with the State.

ASSEMBLYMAN RALPH C. DILLS: But you did take previously—you did state previously there were some counties and cities which did accumulate funds for certain purposes?

MR. ZETTEL: With regard to the cities which accumulate money it is being accumulated in the State Highway Fund, and those figures are readily available.

ASSEMBLYMAN RALPH C. DILLS: Would it be difficult for you somehow to supply this committee—undertake to supply this committee with balances that are in the funds of the counties?

MR. ZETTEL: It would be difficult if you wanted it of today, yes.

ASSEMBLYMAN RALPH C. DILLS: Don't they have it?

MR. ZETTEL: Yes, Mr. Dills, we have that of June 30, 1946, and it is in the committee's files.

ASSEMBLYMAN RALPH C. DILLS: I would be very pleased if that could be made available.

MR. ZETTEL: That is for the cities.

ASSEMBLYMAN RALPH C. DILLS: But not for the counties?

MR. ZETTEL: No, we asked the State Highway Department to tell us the balance for the cities as of that date, and I have those.

ASSEMBLYMAN RALPH C. DILLS: Would they have those figures even later than that date?

MR. ZETTEL: Well, we asked them and we get their reports on the basis of the fiscal year, which would be June 30, 1946. Now, you could ask Mr. Vickrey, he is here. You might ask him what is entailed in getting that as of a different date.

MR. VICKREY: Are you talking about the accumulated funds of the quarter-cent gas tax on the cities?

ASSEMBLYMAN RALPH C. DILLS: That is correct.

MR. VICKREY: That is available on most of the end of any month.

ASSEMBLYMAN RALPH C. DILLS: That is fine. I wonder if we could do that, Mr. Chairman, as of the end of February.

MR. VICKREY: We could give you that at least at the end of December.

ASSEMBLYMAN RALPH C. DILLS: Could that be supplied within a reasonable time?

MR. VICKREY: I think so, I think that is rather a simple job. I think we could get that out tomorrow.

ASSEMBLYMAN ANDERSON: I have some amendments here I would like to submit on Senate Bill No. 5.

CHAIRMAN HOLLIBAUGH: Now, the Senator would like to close his part of the presentation, and, Senator Collier, you may do so now.

ASSEMBLYMAN GEORGE D. COLLINS: May I ask a question?

CHAIRMAN HOLLIBAUGH: Is it going to take very long?

ASSEMBLYMAN GEORGE D. COLLINS: Senator Collier, sometime ago you were quoted in a number of newspaper articles as stating that some money would be necessary for the carrying through of the highway program, and that a separate tax might be necessary. Did you make such a statement?

SENATOR COLLIER: What paper was it quoted in?

ASSEMBLYMAN GEORGE D. COLLINS: In the *San Francisco Chronicle* and, I believe, the *Call Bulletin*. It seems to me that the statement, although I am not certain, was made by you at Coalinga.

SENATOR COLLIER: What date were those articles?

ASSEMBLYMAN GEORGE D. COLLINS: I would say it might be close to a year ago.

SENATOR COLLIER: I think that the transcript of the Coalinga meeting, if you have read that, Mr. Collins, will show, I think, the only statement therein was that I was not in favor of the severance tax.

ASSEMBLYMAN GEORGE D. COLLINS: You never made any statement other than that?

SENATOR COLLIER: I think that is what the transcript will show.

ASSEMBLYMAN GEORGE D. COLLINS: Did you ever make any statement along that line?

SENATOR COLLIER: I think we go by the record usually in our procedure, don't we?

ASSEMBLYMAN GEORGE D. COLLINS: Well, I am asking you whether you made the statement.

SENATOR COLLIER: No, if I had made it, it would be in the transcript.

ASSEMBLYMAN GEORGE D. COLLINS: Then, do you say that you did not make it?

SENATOR COLLIER: I made a statement that I was against the severance tax.

ASSEMBLYMAN GEORGE D. COLLINS: And that is the only statement you made in reference to a severance tax?

SENATOR COLLIER: You are pinning me down to my last time.

ASSEMBLYMAN GEORGE D. COLLINS: I mean, since you were head of this committee?

SENATOR COLLIER: I am still against the severance tax.

ASSEMBLYMAN GEORGE D. COLLINS: Yes, but I am asking you if you made such a statement or not.

SENATOR COLLIER: We do not go behind the records.

ASSEMBLYMAN GEORGE D. COLLINS: I am asking you to go behind the record.

SENATOR COLLIER: No, I will not consent.

CHAIRMAN HOLLIBAUGH: I think he will have to stand on his senatorial rights, George.

Senator Collier, do you wish to close?

SENATOR COLLIER: I am sorry it is late, and we are faced with the problem of all of us wanting a little enjoyment. We have been invited out to the Fair Grounds. It makes it a little difficult to make a closing presentation.

I think it is just and proper that this measure have due consideration particularly on this side of the building. The Senate of California, and I do not always brag on it, the Senate of California has shown what a legislative body can do by sitting down in the Committee of the Whole and talking over the matter that concerns everyone in the State of California as seriously as this does, what type of a measure can be developed when legislators are free from outside influence and get in and write legislation for the benefit of the people. We can go on and make accusation after accusation that you and I, as Members of the Legislature, know exist, but when it came to the possibility of proving it, it would be very difficult because those things are done on the outside. And now, I say, that certain industries of California, and I will refer directly to the petroleum industries, that this measure does not class them one iota, and yet, that industry has come here and spent thousands of dollars to do its best to defeat that measure. And I point out to you that all the while this committee and this Legislature has talked upon this problem that the Petroleum Industry of California shows in August of 1946 to increase the price of gasoline to the consumer in California 1 cent and took away from the possibility of putting into the Road Fund of California. By that very act they agreed among themselves $25,000,000 that will not go into the highway plan. And in January of this year what did they do but they again tacked on to the price one-half cent and thereby deprived the Highway Plan of California $12,500,000. This is while the whole study was going on, and the Legislature was determining the facts as how to raise money to take care of a terrible situation in this great State. There is $37,500,000 that they say the people of California cannot afford, and once the Oil and Gas Association appeared before the Senate Transportation Committee and put up the plea that they were the guardians of the people of California against further taxation, and yet, the industry did not hesitate for a moment to take into its own pocket $37,500,000, and further, the newspaper today comes out and again they say they put upon the petroleum to those who could use the profit eight-tenths of every cent again on the price per gallon of that fluid. What ultimately that eight-tenths of a cent will have to be tacked on to the consumer of gasoline, and they never put the price of gasoline up any fraction. That means 1 cent again, and that is 2½ cents amounting to a huge sum that would help to take care of this highway program. And yet, they came to us and put up the plea that they were guardians of California against further taxation.

I say that many, many in this Legislature have been stupid and that they should have seen that the only logical reason for being against an increase in the gasoline tax is so that they cannot be prevented from increasing the price of the product to the general public. I say it is high time that the people of California realized that you have been rooked out of a fund that should have been on your road plan providing further that the private trusts and commercial cars and motor vehicles, so that this same industry can sell more petroleum products. I say that the great crying need is here, and they come and tell us that we cannot have the Legislature raise the price to tax them on gasoline products. And yet, at the same time, what do they do but further increase their own profit. Now, if you look at the Walker's Manual, you will see that the petroleum industries and companies that have furnished their statements have been getting along very nicely, and they have been showing the usual profits, and yet, and they come and send huge sums to defeat the people's pro-

gram under the guise that there is plenty of money in the Highway Fund now, and there is no need for additional funds for the next three or four years. They will also tell us that because of high costs of competition we cannot afford to do it now. And I will point the P. G. and E. Company, a public utilities the same as a road plant, sending us $300,000,000 for new utilities. I will cite the telephone companies' sending now huge sums of money, and I will fight the oil companies and the radio spending $200,000,000 on a pipeline. And where are they getting that money but from the people in the United States to build that pipeline with. And they say now is not the time to make these tremendous expenditures, that the business does not do it. I say you do those things that are necessary whether you are in business or public life that are prudent and necessary. If your roof on your house leaks you may not be able to afford it but, I say, when the roof is leaking you have to put on a new roof even if you have to go to the bank and borrow the money. And that is what business is doing. They are putting themselves in faith. And what should the public do? The public should do the same thing. And they further give you the opium to get you to hold this program off four years. Why? Because they know four years from now there will be a business reduction, and you could not get an increase in taxes through the Legislature of any kind. And I say to you a thing that means so much to a state of this kind and it cost the average person so little and the average motorist in California—all we are asking them under Senate Bill No. 5 is to put up $18.57 in taxes each year, which is equivalent to 5 cents a day, just the price of a package of gum, and one-twentieth of the price of a drink of whiskey. I say that all we are asking the average man to do, and the man in the street, is to protect his life and limb and provide the space on the highways for all of California for himself and his family and the industry of California.

Now, we take the great trucking industry and what have they done, but they have come before the joint committee and refused to approve any type of increase in the truck taxes. They came before the Senate Transportation Committee and asked for a three-day stay and were granted it, saying they had tried to come in with some plan. They came in and told us that in 30 days they would have something for us and today they have given us nothing, except to let them off at $1,000,000 less a year than heretofore. I say that the two industries that are working this plan are making a very serious mistake. And I say to the members of the delegation of Los Angeles that they are making a big mistake. I say that in two years that if this plan approved in this session of the Legislature that your people, by your great need and critical situation in Los Angeles, would be coming to the Legislature of California begging us to help you out to take care of your situation on there, and in your great anxiety, I will give you this warning, that the country boys of California will trade you out of your sox, because by your grave anxiety for your own people and your own lives and for the conditions that are in the metropolitan areas, that you folks will find that you will be overly anxious to put over some kind of program, and you will lose out and won't get the program embodied in Senate Bill No. 5. I say, don't be misled. You have been tricked; you have been stupid in standing by and giving lip service to those that don't want—in California—don't want any more taxes, but they are willing that their product bring a higher price, and you can look to the papers to see it, and you can look at the price of insurance to see that you are paying the bills. Now, as to

insurance, last fall motorists in California took an increase of 40 percent in your collision insurance. Now, what did you do the other day up there? The insurance companies again handed you another message of an average of 38 percent on property damage and public liability, and you are going to get another increase in insurance on collision and it is going to come to the point that the ordinary man will not be able to carry insurance upon his car because it is so expensive, and the man who does carry it is eventually going to be left without because the lawful ratio is going to be washed out, and therefore there is going to be less insurance sold in California, and yet the insurance lobby stands by and lends no help whatever to put this program over. I say they, too, are making a serious mistake, and I say the three industries have not done their part, and I want to say to you that any one of the increases in insurance that the average motorist has had to pay in California will more than pay the bill we are asking an ordinary man to pay. Are we going on with increased costs when the price of petroleum and insurance? Are we going on and let our loved ones be killed on the highways and see the great State of California stagnate? I say, gentlemen, it is time for you to be men; to rise above all this mess that is about you. I say it is time for you to meet the issue, not for the lobby, but for the people of California.

CHAIRMAN HOLLIBAUGH: Thank you very much, Senator.

ASSEMBLYMAN HAWKINS: Could I ask the Senator one question?

CHAIRMAN HOLLIBAUGH: He said he is through.

ASSEMBLYMAN HAWKINS: I wanted to ask whether or not he is asking some form of price control in the State.

SENATOR COLLIER: I will support the regulation of the price of gasoline and public utilities.

ASSEMBLYMAN HAWKINS: The price control in general, I am talking about.

SENATOR COLLIER: I don't care to answer the question.

ASSEMBLYMAN HAWKINS: You don't care to answer the question, Senator?

SENATOR COLLIER: No.

CHAIRMAN HOLLIBAUGH: Gentlemen, I think we had better adjourn. It is 6 o'clock.

(Thereupon the meeting was adjourned.)

REPORTER'S CERTIFICATE

This is to certify that I, W. J. Cosette, a phonographic reporter, was present at the time and place the foregoing proceedings were had and taken before Assemblyman Hollibaugh, Chairman of the Assembly Committee on Revenue and Taxation, held in the Assembly Chamber of the State Capitol at Sacramento, California, on Wednesday, March 19, 1947, and that as such reporter did report the aforesaid proceedings, and afterwards caused my notes to be reduced to typewriting, and the foregoing proceedings constitute a full, true, complete and correct transcription of the aforesaid proceedings.

April 3, 1947.

W. J. COSETTE, Reporter

ADJOURNMENT

At 9.20 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 10.30 a.m., Monday, April 7, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

FORTY-FOURTH LEGISLATIVE DAY
EIGHTY-FIFTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Monday, April 7, 1947

The Assembly met at 10:30 a.m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Beck, Bennett, Blosser, Boyd, Brown, Burke, Butters, Caldecott, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—68.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

This is the day which the Lord has made Let us rejoice and be glad in it. Give praise unto the Lord, for He is good, and His mercy endures forever. Grant, O God, that the joy which the temporal celebration of Christ's resurrection brings to us, be a foretaste of that eternal joy which we shall enter into upon our own resurrection through the merits of Christ Our Lord—AMEN

PLEDGE OF ALLEGIANCE TO THE FLAG

Upon request of the Speaker, the Assembly gave the pledge of allegiance to the Flag.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Fletcher, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following members were granted leaves of absence for the day, because of illness:

Mr Knight, on motion of Mr Stewart

Mr. Burns, on motion of Mr. Wollenberg.

The following members were granted leaves of absence for the day, because of legislative business elsewhere:

Mr. Johnson, on motion of Mr. Blosser.

Mr. Rosenthal, on motion of Mr. Beck.

ANNOUNCEMENT OF DELAY

Mr. Maloney announced that Mr. Crowley is delayed out of the city on legislative business, and will miss the morning roll call, but does not wish to be excused as he is on his way to Sacramento.

RESOLUTIONS

The following resolution was offered:

By Messrs. Dickey and Wollenberg:

House Resolution No. 40

Resolved, That the Controller be and he is hereby authorized to draw his warrant on the Contingent Fund of the Assembly in favor of the person listed below and for the amount of money set opposite her respective name, and as itemized below, and the State Treasurer is hereby authorized and directed to pay the same:

Alice Book (transcribing 210 folios)----------$57 00

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 40, at this time, without reference to committee or file.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Beck, Bennett, Blosser, Boyd, Burke, Butters, Caldecott, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Kilpatrick, Kirkwood, Loomis, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, Price, Robertson, Sherwin, Stanley, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr Speaker—63.

NOES—None

CONSIDERATION OF SPECIAL ORDER

The hour having arrived, Senate Bill No. 5, with proposed amendments, was taken up.

Senate Bill No. 5—An act to provide for a System of Public Streets and Highways in this State and for the financial support thereof, including the levying of taxes therefor, and relating to vehicles thereon and for that purpose to repeal Article 2 of Chapter 2 of Division 1 and Sections 1028, 1029, 188, 190, 191, 203, 232, 1021, 1022, 1023, 1024, 1621, 1625.5, 1626, 1626.5, 1627, and 1628 of, to amend Sections 181, 189, 193, 194, 195, 300, and 1622 of, and to add Division 3, Article 2 of Chapter 2 of Division 1, and Sections 29, 74, 188, 188.2, and 188.4 to, the Streets and Highways Code, to repeal Sections 276.5, 779, 780, and 782, and 142, to amend Sections 276, 277, 370, 372, 381, and 781 of the Vehicle Code,

and to repeal Part 4, comprising Sections 9601 to 10501, inclusive, of Division 2 and Sections 8353, 8353.5, 8354, 8355, 8356, 8357, and 8358 of, to amend Sections 7351, 8352, 8651, 9302, 9303, and 9304 of, and to add Part 4, comprising Sections 9601 to 10501, inclusive, to Division 2 of, and Section 8353 to, the Revenue and Taxation Code, and to amend Section 7 of Chapter 788 of the Statutes of 1937.

Bill read third time.

Motion to Amend

Mr. Sherwin moved the adoption of the following amendments offered by Mr. Knight:

Amendment No. 1

In lines 13 and 14 of the title of the printed bill, as amended in the Assembly on April 2, 1947, strike out "Part 4, comprising Sections 9601 to 10501, inclusive, of Division 2 and".

Amendment No. 2

In line 15 of the title of said bill, strike out "and 8358", and insert "8358, and 9603.6".

Amendment No. 3

In line 16 of the title of said bill, strike out "and 9304 of, and to"; and strike out line 17 of the title, and insert "9304, 9603, 9605, 9606, 9701, 9703, 10501, and 10452 of, and to add Sections 8353 and 10456 to, the Revenue and Taxation Code, and"

PRINTER'S NOTE—There being no 7-point strikeout type available, the material which should appear in strikeout type in the following amendments is indicated by being enclosed within brackets

---

Amendment No. 4

On page 22 of said bill, strike out lines 13 to 19, inclusive, and insert

"SEC. 36. Section 9603 of the Revenue and Taxation Code is amended to read

9603. "Operator" includes

(a) Any person engaged in the transportation of persons [or property] *and in the transportation of baggage incidental to the transportation of such persons* for hire or compensation by or upon a motor vehicle upon any public highway in this State, either directly or indirectly.

(b) Any person who furnishes any motor vehicle for the transportation of persons [or property] *and in the transportation of baggage incidental to the transportation of such persons* under a lease or rental agreement when pursuant to the terms thereof the person operates the motor vehicle furnished or exercises any control of, or assumes any responsibility for, or engages either in whole or in part in, the transportation of persons [or property] *and in the transportation of baggage incidental to the transportation of such persons* in the motor vehicle furnished.

"Operator" does not include any of the following:

(a) [Any person transporting his own property in a motor vehicle owned or operated by him unless he makes a specific charge for the transportation. This subdivision does not in any way limit any other exemption granted by this section.

(b)] Any farmer, resident of this State, [who occasionally transports property for other farmers, or who transports his own farm products, or] who transports laborers to and from farm work incidentally in his farming operations.

[(c) Any nonprofit agricultural cooperative association, organized and acting within the scope of its powers under Chapter 4 of Division 6 of the Agricultural Code, to the extent only that it is engaged in the transporting of its own property or the property of its members.

(d)] *(b)* Any person whose sole transportation of persons [or property] *and transportation of baggage incidental to the transportation of such persons* for hire or compensation consists of the transportation of children to or from any public school and whose total compensation from all sources for providing such transportation does not exceed fifty dollars ($50) in any calendar month.

[(e)] *(c)* Any person engaged in the business of operating a hearse or other vehicle in a procession to a burial ground or place of interment and from the burial ground or place of interment to a garage or place of storage.

[(f)] *(d)* Any registered owner of a pleasure vehicle, while operating the vehicle, transports persons to his work or to a place through which he passes on the way to his work, whether for or without compensation, if he is not in the business of furnishing such transportation.

SEC. 36.1. Section 9603.6 of said code is repealed.

SEC. 36.2. Section 9605 of said code is amended to read:

9605. "Motor vehicle" includes any automobile, truck, tractor, or other self-propelled vehicle used for the transportation of persons [or property] *and the transportation of baggage incidental to the transportation of such persons* upon the public highways, otherwise than upon fixed rails or tracks, and any trailer, semi-trailer, dolly, or other vehicle drawn thereby, not exempt from registration fees under the laws of this State.

SEC. 36.3. Section 9606 of said code is amended to read:

9606. "Gross receipts" include all receipts from the operation of motor vehicles *in the transportation of persons and in the transportation of baggage incidental to the transportation of such persons* entirely within this State and a proportion, based upon the proportion of the mileage within this State to the entire mileage over which such operations extend, of the receipts from the operation of motor vehicles passing through, into, or out of this State, or partly within and partly without this State. "Gross receipts" as applied in connection with operations under lease or rental agreements include such amounts as the board under such rules and regulations as it may prescribe determines to be reasonable compensation for the transportation services rendered by the operator.

["Gross receipts" do not include revenue derived by an express company from the shipment of property over the lines of common carriers, but do include revenue derived by an express company from the transportation of property in motor vehicles operated by it.]

SEC. 36.4. Section 9701 of said code is amended to read:

9701. Every operator of a motor vehicle within this State who transports or desires to transport for compensation or hire persons [or property] *and to transport baggage incidental to the transportation of such persons* upon any public highway within this State shall apply to the board, on such forms as the board may prescribe, for a license to operate motor vehicles for the transportation of persons [or property] *and the transportation of baggage incidental to the transportation of such persons* for hire or compensation upon public highways in this State.

SEC. 36.5. Section 9703 of said code is amended to read:

9703. Upon receipt of the application, accompanied by the required fee, the board shall issue to the applicant a license to transport for compensation or hire persons [or property] *and to transport baggage incidental to the transportation of such persons* upon any public highway within this State. The board may refuse to issue a license to any person to whom a license was previously issued and subsequently revoked for a violation of this part.

SEC. 36.6. Section 10501 of said code is amended to read:

10501. It is unlawful for any person to do any of the following:

(a) Use any public highway in this State for the transportation of persons [or property] for hire or compensation *without first obtaining the license required under* this part or without carrying upon each motor vehicle so used the number plates or emblems required under this part.

(b) Fail, neglect, or refuse to make any return required under this part or any report required by the board or make any false return.

(c) Refuse to permit the board or any of its representatives to make any examination which the board may make.

(d) Fail to keep records of gross receipts from operations as the board may prescribe.

(e) Violate any other provision of this part.

Any person who violates any provision of this section is guilty of a misdemeanor, unless the act is by any other law of this State declared to be a felony.

SEC. 36.7. Section 10452 of said code is amended to read:

10452. All money in the Motor Vehicle Transportation Tax Fund, unless otherwise appropriated, shall, upon order of the Controller, be drawn therefrom for the purpose of making refunds under this part or be transferred to the [General] *Highway Users Tax* Fund [of the State].

SEC. 36.8. Section 10456 is added to said code to read:

10456. The Controller shall make the transfers to the Highway Users Tax Fund at the same time as transfers to said fund of moneys received under the Motor Vehicle Fuel License Tax Law are made."

Amendment No. 5

On page 23, line 36, of said bill, after "36," insert "36.1, 36.2, 36.3, 36.4, 36.5, 36.6, 36.7, 36.8,".

Amendment No. 6

On page 24 of said bill, strike out lines 16 to 27, inclusive.

Amendments read.

Motion to Table

Mr. Hollibaugh moved that the amendments be laid on the table.

Mr. Maloney seconded the motion.

Remarks Upon the Condition of the File

Mr. James spoke upon the condition of the file.

Point of Order

Mr. Dickey arose to the following point of order: That Mr. James is out of order because a motion is before the House.

Ruling by Speaker

Speaker Collins ruled the point of order well taken.

The question being on the motion that the amendments be laid on the table.

Motion carried.

Motion to Table All Amendments

Mr. Hollibaugh moved that all amendments to Senate Bill No. 5, now at the desk, be laid on the table.

Point of Order

Mr. Dickey arose to the following point of order: That there is nothing before the House as the amendments have not been read.

Ruling by Speaker

Speaker Collins ruled the point of order well taken, and that any motion to table must be made after each individual set of amendments has been read.

Consideration of Further Amendments to Senate Bill No. 5

Motion to Amend

Mr. Ralph C. Dills moved the adoption of the following amendments:

Amendment No. 1

In line 7 of the title of the printed bill, as amended in the Assembly on April 3, 1947, after the second comma, insert "183,".

Amendment No. 2

In line 9 of the title of said bill, after the third comma, insert "80, 81,".

PRINTER'S NOTE—There being no 7-point strikeout type available, the material which should appear in strikeout type in the following amendments is indicated by being enclosed within brackets.

Amendment No. 3

On page 14, of said bill, after line 21, insert

"SEC. 3.3. Section 80 is added to the Streets and Highways Code, to read:

80. The commission shall once each year, in even numbered years before the thirty-first day of March and in odd numbered years before the fifteenth day of January, submit to the Governor a report and proposed budget, including estimated costs of maintenance and construction of state highways and recommendations for the ensuing year, for inclusion in the Budget Bill of an item of appropriation for state highways.

SEC. 3.5. Section 81 is added to said code, to read:

81. The commission shall budget all expenditures authorized for highway purposes, and shall submit once each year, in even numbered years before the thirty-first day of March and in odd numbered years before the fifteenth day of January, to the Legislature at its regular general or budget session, a report and proposed budget including all proposed expenditures for maintenance and construction for the ensuing year. After the first proposed budget has been submitted as provided herein there shall be included in such report a statement of reasons for increases or other changes in the budget of the year immediately preceding.

SEC. 3 7. Section 183 of said code is amended to read:

183. With the exception of money authorized by law to be deposited in the State Highway General Fund, all money available for the acquisition of real property or interests therein for state highways, or for the construction, maintenance or improvement of state highways or highways in state parks shall be deposited in the State Highway Fund. The moneys in said fund [are] *when specifically* appropriated [and] *by the Legislature* shall be allocated and expended for the purposes and in the manner provided in this code *except to the extent otherwise provided by the Legislature.*"

Amendments read.

Motion to Table

Mr. Thurman moved that the amendments offered by Mr. Ralph C. Dills be laid on the table.

Mr. Sherwin seconded the motion.

The roll was called, and the motion lost by the following vote:

AYES—Burke, Butters, Caldecott, Conrad, Crichton, Lester T. Davis, M. Philip Davis, Dolwig, Gaffney, Grunsky, Heisinger, Hinckley, Hinton, Kirkwood, Loomis, Maloney, McCollister, Miller, Sherwin, Stanley, Stewart, Thurman, and Wollenberg—23.

NOES—Bennett, Blosser, Brown, Collier, George D. Collins, Cooke, Cramer, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Doyle, Erwin, Evans, Field, Fletcher, Gannon, Geddes, Grant, Hahn, Hawkins, Hollibaugh, Huyck, James, Kilpatrick, Lowrey, Luckel, Lyons, McMillan, Niehouse, O'Day, Robertson, Silliman, Stephenson, Thomas, Thompson, Thorp, Waters, Weber, and Mr. Speaker—40.

The question being on the adoption of the amendments offered by Mr. Ralph C. Dills to Senate Bill No. 5.

Demand for Previous Question

Messrs. Weber, Evans, Doyle, Robertson, and Cooke demanded the previous question.

Demand for previous question sustained.

The question being on the adoption of the amendments offered by Mr. Ralph C. Dills to Senate Bill No. 5.

The roll was called, and the amendments adopted by the following vote:

AYES—Bennett, Blosser, Brown, Collier, George D. Collins, Cooke, Cramer, Crichton, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Doyle, Evans, Field, Fletcher, Gannon, Geddes, Hawkins, Hollibaugh, Huyck, James, Kilpatrick, Lowrey, Luckel, Lyons, McMillan, Niehouse, O'Day, Robertson, Silliman, Stephenson, Thomas, Thorp, Waters, Weber, and Mr. Speaker—37

NOES—Beck, Burke, Caldecott, Conrad, Lester T. Davis, M. Philip Davis, Dolwig, Gaffney, Grant, Grunsky, Hahn, Heisinger, Hinckley, Hinton, Kirkwood, Loomis, Maloney, McCollister, Miller, Price, Sherwin, Stanley, Stewart, Thompson, Thurman, and Wollenberg—26.

Explanation of Vote

The record shows that I voted "no" on the Ralph C Dills Amendment. I intended to vote "yes" but the machine indicated otherwise.

WILLIAM S. GRANT

Consideration of Further Amendments to Senate Bill No. 5

Motion to Amend

Mr. Heisinger moved the adoption of the following amendments:

Amendment No. 1

On page 20 of the printed bill, lines 32 and 36, strike out "six dollars ($6)", and insert "three dollars ($3)".

Amendment No. 2

On page 21 of the printed bill, strike out lines 44 to 51, inclusive; and on page 22, strike out line 1, and the balance of said sentence in line 2, and insert "application for an operator's or chauffeur's license, or renewal thereof, there shall be paid to the department a fee of two dollars ($2) The surrender of a valid operator's license

shall entitle a qualified person to receive a chauffeur's license upon application for the unexpired period of said operator's license without additional fee or cost."

Amendments read.

Division of the Question

Mr. Heisinger asked for a division of the question.

Consideration of Amendment No. 1

The question being on the adoption of Amendment No. 1 offered by Mr. Heisinger to Senate Bill No. 5.

Roll Call Demanded

Messrs. Gaffney, Miller, and Lester T. Davis demanded a roll call.

The roll was called, and Amendment No. 1, offered by Mr. Heisinger, adopted by the following vote:

AYES—Beck, Bennett, Blosser, Brown, Burke, Butters, Caldecott, Clarke, Collier, George D. Collins, Cooke, Cramer, Crichton, Lester T. Davis, Debs, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Evans, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hollibaugh, Huyck, James, Kilpatrick, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Nicholson, O'Day, Robertson, Sherwin, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, and Weber—54.

NOES—Conrad, M. Philip Davis, Dickey, Erwin, Hinckley, Hinton, Price, Silliman, and Stanley—9

Consideration of Amendment No. 2

The question being on the adoption of Amendment No. 2 offered by Mr. Heisinger to Senate Bill No. 5.

Amendment No. 2 adopted.

RECESS

At 11 a.m., on motion of Mr. Dickey, the Assembly recessed until 11.15 a.m.

REASSEMBLED

At 11.15 a.m., the Assembly reconvened.

Hon. Sam L. Collins, Speaker of the Assembly, presiding

Chief Clerk Arthur A. Ohnimus at the desk.

MOTION TO APPROVE JOURNALS

Upon motion of Mr. Dickey, the Journals for Monday, March 31, 1947; Tuesday, April 1, 1947; Wednesday, April 2, 1947; Thursday, April 3, 1947; and Friday, April 4, 1947, were approved as corrected by the Minute Clerk.

FURTHER CONSIDERATION OF SENATE BILL NO. 5

Senate Bill No. 5—An act to provide for a System of Public Streets and Highways in this State and for the financial support thereof, including the levying of taxes therefor, and relating to vehicles thereon and for that purpose to repeal Article 2 of Chapter 2 of Division 1 and Sections 1028, 1029, 188, 190, 191, 203, 232, 1021, 1022, 1023, 1024, 1621, 1625.5, 1626, 1626.5, 1627, and 1628 of, to amend Sections 181, 183, 189, 193, 194, 195, 300, and 1622 of, and to add Division 3, Article 2 of Chapter 2 of Division 1, and Sections 29, 74, 80, 81, 188, 188.2, and 510 to, the Streets and Highways Code, to repeal Sections 276.5, 779, 780, and 782, and 142, to amend Sections 276, 277, 370, 372, 381, and 781 of, and

to add Section 372.2 to, the Vehicle Code, and to repeal Part 4, comprising Sections 9601 to 10501, inclusive, of Division 2 and Sections 8353, 8353.5, 8354, 8355, 8356, 8357, and 8358 of, to amend Sections 7351, 8352, 8651, 9302, 9303, and 9304 of, and to add Section 8353 to, the Revenue and Taxation Code, and to amend Section 7 of Chapter 788 of the Statutes of 1937.

Bill read third time.

Motion to Temporarily Suspend the Rules

Mr. Hollibaugh moved that the Rules be temporarily suspended for the purpose of considering all of the amendments at the desk to Senate Bill No. 5, at this time.

Mr. Boyd seconded the motion.

Motion to Recess

Mr. James moved that the Assembly do now recess until 2.30 p.m.

Mr. Lowrey seconded the motion.

Roll Call Demanded

Messrs. Robertson, Cooke, and Debs demanded a roll call.

The roll was called, and the motion to recess until 2.30 p.m. lost by the following vote:

AYES—Beck, Butters, George D. Collins, Cooke, Lester T. Davis, Heisinger, James, Lowrey, McCollister, and Silliman—10.

NOES—Bennett, Blosser, Boyd, Brown, Burke, Caldecott, Collier, Conrad, Cramer, Crichton, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hinckley, Hinton, Hollibaugh, Huyck, Kilpatrick, Kirkwood, Loomis, Luckel, Lyons, Maloney, Miller, Niehouse, Price, Robertson, Sherwin, Stanley, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—52.

The question being on the motion by Mr. Hollibaugh the Rules be temporarily suspended for the purpose of considering all amendments to Senate Bill No. 5, at the desk, at this time.

The roll was called, and the Rules temporarily suspended by the following vote:

AYES—Blosser, Boyd, Brown, Burke, Caldecott, Collier, Conrad, Cramer, Crichton, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, Kilpatrick, Kirkwood, Loomis, Luckel, Lyons, Maloney, McCollister, McMillan, Niehouse, Price, Sherwin, Stanley, Stewart, Thomas, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—48.

NOES—Beck, Butters, George D. Collins, Cooke, Lester T. Davis, M. Philip Davis, Evans, Hahn, James, Lowrey, Miller, O'Day, Robertson, and Silliman—14.

Consideration of Further Amendments to Senate Bill No. 5
Motion to Amend

Mr. Maloney moved the adoption of the following amendment:

Amendment No. 1

On page 21 of the printed bill, as amended in the Assembly on April 3, 1947, strike out lines 44 to 51, inclusive; and on page 22, strike out line 1 and the words "of application" in line 2, and insert "application for an operator's or chauffeur's license, or renewal thereof, there shall be paid to the department a fee of two dollars ($2). The surrender of a valid operator's license shall entitle a qualified person to receive a chauffeur's license upon application for the unexpired period of said operator's license without additional fee or cost"

Amendment read.

Amendment Withdrawn

Mr. Maloney withdrew the amendment.

Consideration of Further Amendments to Senate Bill No. 5
Motion to Amend

Mr. Maloney moved the adoption of the following amendments:

Amendment No. 1

On page 21, line 25, of the printed bill, as amended in the Assembly on April 3, 1947, strike out "three", and insert "four".

Amendment No. 2

On page 21, line 28, of said printed bill, strike out "three", and insert "four".

Amendment No. 3

On page 21, line 34, of said printed bill, strike out "three", and insert "four".

Amendment No. 4

On page 21, line 36, of said printed bill, strike out "four", and insert "five".

Amendment No. 5

On page 21, line 40, of said printed bill, strike out "four", and insert "five".

Amendments read, and adopted.

Motion to Temporarily Suspend the Rules

Mr. Sherwin moved that the Rules be temporarily suspended for the purpose of considering the passage of Senate Bill No. 5, as amended, at this time, without reference to reprint.

Mr. Evans seconded the motion.

Point of Order

Mr. Dickey arose to the following point of order: That the motion by Mr. Sherwin is out of order, pursuant to Article 4, Section 15, of the Constitution of California.

Ruling by Speaker

Speaker Collins ruled the point of order well taken.

Consideration of Further Amendments to Senate Bill No. 5
Motion to Amend

Mr. George D. Collins moved the adoption of the following amendments:

Amendment No. 1

In line 17 of the title of the printed bill, as amended in the Senate on March 10, 1947, after "inclusive", insert "and Part 15, comprising Sections 27000 to 27033, inclusive,".

Amendment No. 2

On page 23 of the said bill, between lines 21 and 22, insert

"SEC. 37.7. Part 15, comprising Sections 27000 to 27033, inclusive, is added to Division 2 of the Revenue and Taxation Code, to read as follows:

PART 15. SEVERANCE TAX

CHAPTER 1. GENERAL PROVISIONS AND DEFINITIONS

27000. This part shall be known and may be cited as the "Severance Tax Act of 1947."

27001. The following words, terms and phrases when used in this act have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

(a) "Person" means any individual, firm, copartnership, joint adventure, association, corporation, estate, trust, business trust, receiver, syndicate, this State, any county, city and county, municipality, district or other political subdivision thereof, or any other group or combination acting as a unit, and the plural as well as the singular number.

(b) "Producer" means every person engaged in severing petroleum, natural gas or natural gasoline from the earth, whether as owner, lessee or otherwise.

(c) "Severing" means extracting, separating, detaching, producing, removing or in any manner gathering petroleum, natural gas or natural gasoline from the earth.

(d) "Board" means the State Board of Equalization.

(e) "In this State" means within the exterior limits of the State of California and includes all territory within such limits owned by or ceded to the United States of America.

(f) "Owner" means any person, including a lessor, having any interest in petroleum, natural gas or natural gasoline at the time of the severance thereof from the earth, which interest entitles such person to a fixed or determinable share in the amount of such petroleum, natural gas or natural gasoline, or the value thereof.

CHAPTER 2. IMPOSITION OF TAX

27003 From and after July 1, 1947, for the privilege of severing petroleum, natural gas or natural gasoline from the earth an excise tax, predicated upon the quantities severed from the earth in this State, is hereby imposed upon owners at the following rates:

Petroleum of below 15° gravity A. P. I., fourteen (14) cents per barrel of 42 gallons

Petroleum of 15° gravity A. P. I. up to but not including 19° gravity A. P. I., fifteen (15) cents per barrel of 42 gallons

Petroleum of 19° gravity A. P. I. up to but not including 23° gravity A. P. I., sixteen (16) cents per barrel of 42 gallons

Petroleum of 23° gravity A. P. I. up to but not including 28° gravity A. P. I., nineteen (19) cents per barrel of 42 gallons.

Petroleum of 28° gravity A. P. I. up to but not including 34° gravity A. P. I., twenty-two (22) cents per barrel of 42 gallons

Petroleum of 34° gravity A. P. I. and above, twenty-seven cents ($0.27) per barrel of 42 gallons.

Natural gas, one and two-tenths (1.2) cents per 1,000 cubic feet; provided, however, that there shall be deducted from the amount of natural gas severed from the earth by a producer the amount thereof returned to the earth by such producer for repressuring purposes.

Natural gasoline, one and two-tenths (1.2) cents per gallon

27004 The tax herein imposed shall be paid at the time and in the manner hereinafter provided and shall be in addition to any and all other taxes.

27005. The producer shall collect or withhold from the owners the proportionate parts of the total tax due from the respective owners with respect to the petroleum, natural gas or natural gasoline severed from the earth by such producer. The total amount of the tax due with respect to the petroleum, natural gas or natural gasoline severed from the earth by a producer shall be due and payable monthly by the producer on or before the twentieth day of the month following each calendar month.

27006 Each producer shall, on or before the twentieth day of August, 1947, and on or before the twentieth day of each and every month thereafter, file with the board on forms prescribed by it a return showing the amount of petroleum, natural gas and natural gasoline severed from the earth during the preceding calendar month and such other information as the board may deem necessary for the administration of the tax. The producer shall transmit with each such return a remittance payable to the board for the amount of tax due hereunder. If the board deems it necessary in order to insure the payment of the tax herein imposed, it may require returns and payment of the tax to be made for other than monthly periods.

27007. The board for good cause may extend for not to exceed 30 days the time for making any return required herein.

27008 Any person failing to pay any tax, except taxes assessed by the board under the provisions of Sections 27015 and 27016 hereof, within the time required by this act shall pay in addition to the tax a penalty of 10 percent of the amount thereof and interest thereon at the rate of one-half of 1 percent a month, or fraction thereof, from the date at which the tax became due and payable until the date of payment.

CHAPTER 3. ADMINISTRATION

Article 1. Issuance of Permits

27010. It shall be unlawful after July 1, 1947, for any person to act as a producer in this State without first securing a permit as prescribed herein. An application for such permit must be made to the board upon a form prescribed by the board. The application shall be signed by the owner if a natural person; in the case of an association or partnership, by a member or partner thereof and in the case of a corporation, by an executive officer thereof or some person specifically authorized by the corporation to sign the application, to which shall be attached the written evidence of his authority. Any person who acts as a producer in this State without a permit, or after a permit has been suspended or revoked, and the officers of any corporation which so acts as a producer, shall be guilty of a misdemeanor.

27011. At the time of making an application for a permit, the applicant shall pay to the board a permit fee of five dollars ($5). A producer need obtain only one permit.

27012. Upon the payment of such permit fee and compliance with other requirements imposed herein, the board shall issue to each applicant a permit to act as a producer. A permit is not assignable and shall be valid only for the person in whose name it is issued.

27013. Permits issued under the provisions of this part shall be valid and effective without further payment of fees until suspended or revoked by the board. A fee of five dollars ($5) shall be collected by the board for the renewal or issuance of a permit to a producer whose permit has been previously suspended or revoked.

27014 Whenever the holder of a permit fails to comply with any provision of this part or any rule or regulation of the board prescribed and adopted under this act, the board upon hearing after giving 10 days' notice in writing of the time and place of the hearing to show cause why his permit should not be revoked, may revoke or suspend the permit.

Article 2. Assessments and Penalties

27015. If the board is not satisfied with the return filed or amount of tax paid by any producer, it is hereby authorized and empowered to make an additional assessment of tax due from such producer based upon any information available to it. All additional assessments shall bear interest at the rate of one-half of 1 percent a month, or fraction thereof, from the twentieth day after the close of the month or months, as the case may be, for which the additional assessment is imposed until the date of payment. If any part of the deficiency for which the additional assessment is imposed is due to negligence or intentional disregard of this part or authorized rules and regulations, a penalty of 10 percent of the amount of the additional assessment shall be added thereto. If any part of the deficiency for which the additional assessment is imposed is due to fraud or an intent to evade the tax, a penalty of 25 percent of the amount of the additional assessment shall be added thereto. The board shall give to the producer written notice of such additional assessment. Such notice may be served upon the producer personally or by mail; if by mail, service shall be made in the manner prescribed by Section 1013 of the Code of Civil Procedure and addressed to the producer at his address as the same appears in the records of the board.

27016 If a producer neglects or refuses to make a return as required herein, the board shall make an estimate based upon any information available to it of the amount of the petroleum, natural gas and natural gasoline produced by such producer during the month or months in respect to which he failed to make a return, and upon the basis of said estimate compute and assess the tax payable by the producer, adding to the sum thus arrived at a penalty equal to 10 percent thereof. All such assessments shall bear interest at the rate of one-half of 1 percent a month, or fraction thereof, from the twentieth day after the close of the month or months, as the case may be, for which such assessments are imposed until the date of payment If the neglect or refusal of a producer to file a return as required by this act was due to fraud or an intent to evade the tax, there shall be added to the tax a penalty equal to 25 percent thereof in addition to the 10 percent penalty as above provided. Promptly thereafter the board shall give to the producer written notice of such estimate, tax and penalty, the notice to be served personally or by mail in the same manner as prescribed for service of notice by the provisions of Section 27015 hereof

27017. If the board determines that the collection of any tax or assessment imposed by or under this part will be jeopardized by delay, it shall thereupon make an assessment of such tax, noting its determination thereon, and the amount of such assessment shall be immediately due and payable. If the amount of the tax, interest and penalty specified in the jeopardy assessment is not paid within 10 days after the service upon the producer of notice of the assessment, such assessment becomes final at the expiration of such 10 days, unless a petition for reassessment is filed within such 10 days, and the delinquency penalty and interest provided in Section 27008 hereof shall attach to the amount of the tax specified therein

The producer against whom a jeopardy assessment is levied hereunder may petition for the reassessment thereof pursuant to Section 27018 hereof; provided, however, that such petition for reassessment must be filed with the board within 10 days after the service upon the producer of notice of the assessment; and provided further, that the producer must within said 10-day period deposit with the board such security as it may deem necessary to insure compliance with the provisions of this part Such security may be sold by the board in the manner prescribed by Section 27022 hereof.

27018 Any producer against whom an assessment is made by the board under the provisions of Section 27015 or 27016 hereof may petition for a reassessment thereof within 30 days after service upon the producer of notice thereof. If a petition for reassessment is not filed within said 30-day period, the amount of the assessment becomes final at the expiration thereof

If a petition for reassessment is filed within said 30-day period, the board shall reconsider the assessment and, if the producer has so requested in his petition, shall grant said producer an oral hearing before the board and shall give the producer 10 days' notice of the time and place thereof. The board shall have power to continue the hearing from time to time as may be necessary. The order or decision of the board upon a petition for reassessment shall become final 30 days after service upon the producer of notice thereof.

All assessments made by the board under the provisions of Section 27015 or 27016 hereof shall become due and payable at the time they become final and if not paid when due and payable there shall be added thereto a penalty of 10 percent of the amount of the tax. Any notice required by this section shall be served personally or by mail in the same manner as prescribed for service of notice by the provisions of Section 27015 hereof.

27019. Except in the case of a fraudulent return, or neglect or refusal to make a return, every notice of additional tax proposed to be assessed hereunder shall be mailed to the producer within three years after the return was filed.

Article 3. Refunds

27020. If the board determines that any amount has been paid hereunder contrary to law, the board shall set forth that fact in its records and shall certify to the State Board of Control the amount collected in excess of what was legally due, from whom it was collected, or by whom paid, and if approved by that board the same shall be credited on any taxes then due from the producer under this act and the balance shall be refunded to the producer, or his successors, administrators, executors or assigns, but no such credit or refund shall be allowed unless a claim therefor is filed with the State Board of Equalization within three years from the date of the overpayment. Such claim must be in writing and state the specific grounds on which it is founded.

Any refund or any portion thereof which is erroneously made and any credit or any portion thereof which is erroneously allowed may be recovered in an action brought by the State Board of Equalization in a court of competent jurisdiction in the County of Sacramento, in the name of the people of the State of California and such action shall be tried in the County of Sacramento unless the court, with the consent of the Attorney General, orders a change of place of trial. The Attorney General must prosecute such action, and the provisions of the Code of Civil Procedure relating to service of summons, pleadings, proofs, trials and appeals are applicable to the proceedings herein provided for.

In the event that a tax has been illegally assessed against a producer the board shall certify such fact to the State Board of Control and, if the State Board of Control approves, it shall authorize the cancellation of the tax upon the records of the board.

Article 4. Liens

27021. In any case in which any tax, interest, or penalty imposed by this part is not paid when due or in any case where an assessment is made under the provisions of Sections 27015, 27016 or 27017 of this act, then in either event, the board may file for record in any county a certificate giving the name of the producer and the amount of taxes, interest and penalties due or specified in the assessment as the case may be From the time of the recording of any such certificate the amount of the tax, interest and penalties therein set forth shall constitute a lien upon any real property then owned or thereafter acquired by the producer named in such certificate located in the county in which said certificate is recorded, which lien shall have the same force, effect and priority as a lien created by the recording of an abstract of judgment under Section 674 of the Code of Civil Procedure. Said lien shall continue, however, for five years or until the tax is paid, the property sold for the nonpayment thereof or until the lien is released or otherwise extinguished. The board may at any time release all or any portion of the property subject to said lien, from such lien or subordinate such lien to other liens or interests, if it determines that the tax, interest and penalties are sufficiently secured by a lien on other property or that the release or subordination of the lien will not endanger or jeopardize the collection of the tax, interest or penalties. A certificate by the board to the effect that any property has been released from any lien herein provided for or that such lien has been subordinated to other liens or interest, shall be conclusive evidence that the property has been released or that the lien has been subordinated as provided in the certificate

27022. The board may require any person subject to the tax herein imposed to deposit with it such security as it may deem necessary to insure compliance with the provisions hereof. Such security may be sold by the board at public sale if it becomes necessary so to do in order to recover any tax, interest or penalty due. Notice of such sale may be served upon the person who deposited such security personally or by mail; if by mail, service shall be made in the manner prescribed by Section 1013 of the Code of Civil Procedure and addressed to the person at his address as the same appears in the records of the board. Upon any such sale, the surplus, if any, above the amounts due under this act shall be returned to the person who deposited the security.

27023 In the event that any producer is delinquent in the payment of the tax, interest or penalty imposed herein, the board may give notice of the amount of such delinquency by registered mail to all persons having in their possession, or under their control, any credits or other personal property belonging to such producer, or owing any debts to such producer at the time of receipt by them of such notice and thereafter any person so notified shall neither transfer nor make any other disposition of such credits, other personal property or debts until the board shall have consented

to a transfer or disposition or until 20 days shall have elapsed from and after the receipt of such notice All persons so notified must, within five days after receipt of such notice, advise the board of any and all such credits, other personal property or debts, in their possession, under their control or owing by them, as the case may be.

27024. At any time within three years after the delinquency of any tax, interest or penalty, the board may bring an action in a court of competent jurisdiction in the name of the people of the State of California to collect the amount delinquent. The Attorney General shall prosecute such action and the provisions of the Code of Civil Procedure relating to service of summons, pleadings, proofs, trials and appeals are applicable to the proceedings herein provided for. In such an action a writ of attachment may issue, and no bond or affidavit previous to the issuing of said attachment is required. In such action a certificate by the board showing the delinquency shall be prima facie evidence of the levy and assessment of the tax in the amount specified therein, of the delinquency of the amount of tax, interest and penalty and of compliance by the board with all the provisions of this act in relation to the computation, assessment and levy of such amount of tax, interest and penalty.

27025. At any time within three years after any producer is delinquent in the payment of the tax herein provided for, the board may proceed forthwith to collect the tax due from the producer in the following manner: The board shall seize any property, real or personal, subject to the lien herein provided and thereafter sell at public auction such property so seized, or a sufficient portion thereof, to pay the tax, interest and penalties due hereunder and any and all costs that may have been incurred on account of such seizure and sale. Notice of such intended sale and the time and place thereof, shall be given to such delinquent producer in writing at least 10 days before the date set for such sale by inclosing a form of such notice in an envelope addressed to said producer at his last-known place of business in this State, if any, and depositing the same in the United States mail, postage prepaid, and by publication for at least 10 days before the date set for such sale in a newspaper of general circulation published in the county or city and county in which the property seized is to be sold; provided, however, that if there be no newspaper of general circulation in such county or city and county, then by the posting of such notice in three public places in such county or city and county for said 10-day period The said notice shall contain a description of the property to be sold, together with a statement of the amount of the taxes, interest, penalties and cost, the name of the producer, and the further statement that, unless such taxes, interest, penalties and costs are paid on or before the time fixed in said notice for such sale, said property, or so much thereof as may be necessary, will be sold in accordance with law and said notice.

At any such sale, the property shall be sold by the board or its duly authorized agent in accordance with law and said notice, and the board shall deliver to the purchaser a bill of sale for the personal property, and a deed for any real property so sold, and such bill of sale or deed shall vest title in the purchaser. The unsold portion of any property so seized may be left at the place of sale at the risk of the producer If, upon any such sale, the moneys so received shall exceed the amount of all license taxes, interest, penalties and costs due the State from such producer, such excess shall be returned to the producer, and his receipt therefor obtained If, for any reason, the receipts of such producer shall not be available, the board shall deposit such excess moneys with the State Treasury as trustee for such owner, subject to the order of such producer, his heirs, successors or assigns

27026 It is hereby expressly provided that the foregoing remedies of the State shall be cumulative and that no action taken by the board or the Attorney General shall be or be construed to be an election on the part of the State or any of its officers to pursue any remedy hereunder to the exclusion of any other remedy for which provision is made in this part.

CHAPTER 4. MISCELLANEOUS

27027. Every producer shall keep such records, receipts, invoices and other pertinent papers in such form as the board may require. The board or its representatives are hereby authorized to examine the books, papers, records, and equipment of any producer, carrier, pipe-line company or any other person or any department or office of the State in order to verify the accuracy of any return made, or if no return was made by the producer, to ascertain and assess the tax imposed by this act The board is also hereby authorized to require the furnishing of such information or reports by carriers, pipe-line companies or other persons as may be deemed necessary for the administration of this part.

27028. The board is hereby charged with the enforcement of the provisions of this part and is hereby authorized and empowered to prescribe, adopt and enforce rules and regulations relating to the administration and enforcement of the provisions hereof and to employ such accountants, auditors, investigators, assistants and clerks as may be determined to be necessary for the efficient administration of this part and may designate representatives to conduct hearings, prescribe regulations or perform any other duties imposed by this part or other laws of this State upon the board.

27029. It shall be unlawful for the board or any person having an administrative duty under this act to divulge or to make known in any manner whatever the business affairs, operations or information obtained by an investigation of the records

and equipment of any producer visited or examined in the discharge of official duty, or the amount or source of income, profits, losses, expenditures or any particular thereof, set forth or disclosed in any return, or to permit any return or copy thereof or any book containing any abstract or particulars thereof to be seen or examined by any person except as provided by law; provided, however, that the Governor may authorize examination of such returns by other state officers, by tax officers of another state, or the Federal Government, if a reciprocal arrangement exists, and any other persons the Governor may so authorize

Any violation of the provisions of this section shall be a misdemeanor and be punished by a fine not exceeding one thousand dollars ($1,000), or by imprisonment not exceeding one year, or both, at the discretion of the court.

27030. All fees, taxes, interest and penalties imposed under this part shall be paid to the board in the form of remittances payable to the State Board of Equalization. The board shall transmit all moneys received by it under this part to the State Treasurer to be deposited in the State Treasury to the credit of the Severance Tax Fund, which fund is hereby created All money deposited in the fund under this part is hereby appropriated to pay the refunds authorized in this part and to the Highway Users Tax Fund. The Controller shall transfer the balance of all money deposited in the Severance Tax Fund, after the payment of refunds, to the Highway Users Tax Fund The Controller shall make the transfer at the same time as the transfers to the Highway Users Tax Fund as moneys received under the Motor Vehicle Fuel License Tax Law are made.

27031. No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against this State or against any officer thereof to prevent or enjoin under this act the collection of any tax sought to be collected but after payment of any such tax the producer paying the tax may bring an action against the board in a court of competent jurisdiction in the County of Sacramento for the recovery of the amount of tax paid No such action may be instituted more than one year after the tax becomes due and payable, and failure to bring suit within said one year shall constitute a waiver of any and all demands against the State on account of an alleged overpayment of taxes hereunder.

If in any such action judgment is rendered for the plaintiff, the amount of the judgment shall first be credited on any taxes due from the plaintiff under this part, and the balance of the judgment shall be refunded to the plaintiff. In any such judgment, interest shall be allowed at the rate of 6 percent per annum upon the amount of tax found to have been illegally collected from the date of payment of such tax to the date of allowance of credit on account of such judgment or to a date preceding the date of the refund warrant by not more than 30 days, such date to be determined by the board

In no case shall any judgment be rendered in favor of the plaintiff in any action brought against the State Treasurer to recover any tax paid hereunder, when such action is brought by or in the name of an assignee of the producer paying said tax, or by any person other than the person who has paid such tax.

27032 Any producer failing or refusing to furnish any return hereby required to be made, or failing or refusing to furnish a supplemental return or other data required by the board, or rendering a false or fraudulent return, shall be guilty of a misdemeanor and subject to a fine of not exceeding five hundred dollars ($500) for each such offense.

Any person required to make, render, sign or verify any report as aforesaid, who makes any false or fraudulent return, with intent to defeat or evade the assessment required by law to be made, shall be guilty of a misdemeanor, and shall for each such offense be fined not less than three hundred dollars ($300) and not more than five thousand dollars ($5,000) or be imprisoned not exceeding one year in the county jail or be subject to both said fine and imprisonment in the discretion of the court

27033. Any violation of the provisions of this part, except as otherwise herein provided, shall be a misdemeanor and punishable as such."

Amendment No. 3

On page 23, line 36, of said bill, strike out "and 37 5", and insert "37.5 and 37.7".

Amendments read.

Motion to Table

Mr. Thurman moved that the amendments offered by Mr. George D. Collins to Senate Bill No. 5 be laid on the table.

Mr. Grunsky seconded the motion.

Roll Call Demanded

Messrs. Lowrey, Beck, and Heisinger demanded a roll call.

The roll was called, and the amendments offered by Mr. George D. Collins to Senate Bill No. 5 laid on the table by the following vote:

AYES—Allen, Blosser, Boyd, Brown, Burke, Butters, Caldecott, Carey, Collier, Conrad, Cramer, Crichton, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Erwin, Evans, Field, Fletcher, Gannon, Geddes, Grant, Grunsky, Hinckley, Hinton, Hollibaugh, Huyck, James, Kirkwood, Loomis, Luckel, Lyons, Maloney, McCollister, McMillan, Niehouse, Price, Sheridan, Sherwin, Silliman, Stanley, Stewart, Thompson, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—50.

NOES—Beck, Bennett, Berry, George D Collins, Cooke, Lester T. Davis, M. Philip Davis, Doyle, Dunn, Gaffney, Hahn, Hawkins, Heisinger, Lowrey, Miller, O'Day, Robertson, Rosenthal, Stephenson, Thomas, and Thorp—21.

Explanation of Vote

I voted not to table the Collins' Severance Amendments as I do not favor tabling a member's amendments or bills. I am, by the same token, against a severance tax.

T. J. DOYLE

Motion to Temporarily Suspend the Rules

Mr. Boyd moved that Rule 52 be temporarily suspended for the purpose of considering Senate Bill No. 5, as soon as reprinted, and all pending amendments on third reading.

Mr M. Philip Davis seconded the motion.

Substitute Motion

Mr. O'Day moved, as a substitute motion, that his proposed amendments to Senate Bill No. 5, now at the desk, be considered, at this time.

Mr. James seconded the motion.

Demand for Previous Question

Messrs. Weber, James, Lowrey, Lyons, and M. Philip Davis demanded the previous question.

Demand for previous question sustained.

The question being on the substitute motion by Mr. O'Day that his amendments to Senate Bill No. 5 be considered, at this time.

Motion carried.

Consideration of Further Amendments to Senate Bill No. 5

Motion to Amend

Mr. O'Day moved the adoption of the following amendments:

Amendment No. 1

On page 10, line 35, of the printed bill, as amended in the Senate on April 3, 1947, after "Expressway", insert "is".

Amendment No. 2

On page 10, line 37, of said bill, after "tunnel", insert ", which shall be at least six lanes in width, with a physical barrier separating opposing traffic,".

Amendments read, and refused adoption.

Motion to Expunge Record, and Rescind Action on O'Day Amendments to Senate Bill No. 5

Mr. O'Day moved that the record be expunged, and the action rescinded whereby his amendments to Senate Bill No. 5 were this day refused adoption.

Mr. Wollenberg seconded the motion.

Motion lost.

Consideration of Further Amendments to Senate Bill No. 5

Motion to Amend

Mr. Dunn moved the adoption of the following amendment:

Amendment No. 1

On page 14 of the printed bill, as amended in the Assembly on April 3, 1947, between lines 10 and 11, insert:

"298.3. Any restrictions prescribed by the department with respect to the use by vehicles of any express highway, expressway, freeway, or highway in the expressway system shall be prescribed by the department only after a proceeding before the Department of Public Works in accordance with the provisions of Section 7155 of the Vehicle Code of the State of California. The order of the Department of Public Works in such proceeding, and the order of the Department of Motor Vehicles prescribing such restriction after such proceeding, shall be reviewable by the superior court in the manner provided by the Code of Civil Procedure for the granting of writs of review of inferior tribunals, boards, or officers, exercising judicial functions"

Amendment read, and adopted.

Consideration of Further Amendments to Senate Bill No. 5

Motion to Amend

Mr. Dunn moved the adoption of the following amendment:

Amendment No. 1

On page 13 of the printed bill, as amended in the Assembly on April 3, 1947, strike out all of lines 50 and 51, inclusive; and on page 14, strike out lines 1 to 4, inclusive.

Amendment read, and refused adoption.

Consideration of Further Amendments to Senate Bill No. 5

Motion to Amend

Mr. M. Philip Davis moved the adoption of the following amendments:

Amendment No. 1

On page 2, line 29, of the printed bill, as amended, after "2006.", insert "The board of supervisors of".

Amendment No. 2

On page 2, line 33, of said bill, strike out "board of supervisors", and insert "department".

Amendment No. 3

On page 2, line 38, of said bill, strike out "board of supervisors", and insert "department".

Amendments read, and adopted.

Consideration of Further Amendments to Senate Bill No. 5

Motion to Amend

Mr. Robertson moved the adoption of the following amendments:

Amendment No. 1

In line 9 of the title of the printed bill, as amended, strike out "and 188.4", and insert "188.4, and 510".

Amendment No. 2

On page 17 of said bill, between lines 8 and 9, insert

"SEC. 8 5. Section 510 is added to the Streets and Highways Code, to read:

510 Route 210 is from Marysville to Sacramento via the most feasible and direct route."

Amendments read.

The roll was called, and the amendments adopted by the following vote:

AYES—Allen, Bennett, Berry, Blosser, Brady, Brown, George D. Collins, Conrad, Cooke, Cramer, Crowley, Lester T. Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Dunn, Evans, Field, Fletcher, Gannon, Hahn, Hawkins, Heisinger,

Hollibaugh, Huyck, James, Loomis, Lowrey, Lyons, Maloney, McCollister, McMillan, Niehouse, O'Day, Robertson, Rosenthal, Silliman, Stephenson, Thomas, and Weber—42.

NOES—Beck, Boyd, Burke, Butters, Caldecott, Carey, Clarke, Collier, M. Philip Davis, Erwin, Grant, Grunsky, Hinckley, Hinton, Kilpatrick, Kirkwood, Luckel, Price, Sheridan, Sherwin, Stanley, Stewart, Thurman, Waters, and Wollenberg—25.

Consideration of Further Amendments to Senate Bill No. 5

Motion to Amend

Mr. Dunn moved the adoption of the following amendment:

Amendment No. 1

On page 13, line 12, of the printed bill, as amended in the Assembly on April 3, 1947, after "authority", strike out the period, and insert a semicolon and "provided, that there shall be no restrictions against the use of such entrances and exits by all classes of traffic, but the routes between such entrances and exits on the one hand and industrial and commercial establishments on the other hand may be restricted with respect to commercial vehicles if reasonable routes are provided in lieu thereof for such commercial vehicles."

Amendment read, and adopted.

Consideration of Further Amendments to Senate Bill No. 5

Motion to Amend

Mr. Dunn moved the adoption of the following amendment:

Amendment No. 1

On page 13, line 38, of the printed bill, as amended in the Assembly on April 3, 1947, after "highway", insert "however, such service roads shall be of such standards that there will be no restrictions to the use thereof by any class of vehicles,".

Amendment read, and adopted.

Consideration of Further Amendments to Senate Bill No. 5

Motion to Amend

Mr. McCollister moved the adoption of the following amendments:

Amendment No. 1

In line 9 of the title of the printed bill, as amended in the Assembly on April 3, 1947, strike out "188.2, and 188.4", and insert "and 188.2".

Amendment No. 2

On page 15 of said bill, strike out lines 1 to 21, inclusive.

Amendments read.

The roll was called, and the amendments adopted by the following vote:

AYES—Beck, Bennett, Berry, Blosser, Brady, Burke, Butters, Caldecott, Carey, George D. Collins, Conrad, Cramer, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Geddes, Grant, Hahn, Hawkins, Hollibaugh, Huyck, Kilpatrick, Kirkwood, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Rosenthal, Sheridan, Stanley, Waters, Weber, Wollenberg, and Mr. Speaker—47.

NOES—Brown, Clarke, Collier, Cooke, Crowley, Lester T. Davis, Grunsky, Heisinger, Hinton, James, Loomis, Lowrey, Price, Silliman, Stephenson, Stewart, Thomas, Thorp, and Thurman—19.

Consideration of Further Amendments to Senate Bill No. 5

Motion to Amend

Mr. James moved the adoption of the following amendments:

Amendment No. 1

In lines 4 and 5 of the title of the printed bill, as amended in the Assembly on April 3, 1947, strike out "Article 2 of Chapter 2 of Division 1 and".

Amendment No. 2

In line 6 of the title of said bill, strike out "232,".

Amendment No. 3

In line 7 of the title of said bill, strike out "300,".

Amendment No. 4

On page 8 of said bill, strike out lines 48 to 50, inclusive; strike out all of pages 9 and 10; and on page 11, strike out lines 1 to 6, inclusive, and insert

"SEC. 2. Article 2A is added to Chapter 2 of Division 1 of the Streets and Highway Code, to read:

Article 2A. The State Expressways

252. The terms "express highway," "expressway," and "freeway" shall be synonymous and interchangeable and all of the statutes of this State applicable to freeways shall, unless inconsistent with any of the provisions of this chapter, be applicable to the expressway system of highways described or provided for in this article.

253. Nothing in this article shall be deemed to prevent the commission or the department from acquiring rights of way for or constructing any other state highway as an expressway or freeway or declaring any state highway to be a freeway as authorized under any of the provisions of this code or any other statute.

254. The state network of expressway routes is described in Sections 255 to 264, inclusive.

255. The Hollywood Expressway is from State Highway Route 165 to Cahuenga Pass.

256. The Santa Ana Expressway is from the Hollywood Expressway to Santa Ana.

257. The Harbor Expressway is from the Hollywood Expressway to San Pedro.

258. The Arroyo Seco Expressway is from the Hollywood Expressway to Pasadena.

259. The Santa Monica Expressway is from State Route 60 near Santa Monica to the Hollywood Expressway.

260. The Olympic Expressway is from State Route 60 near Venice to the Santa Ana Expressway.

261. The Lombard Street Expressway is from a point near the San Francisco approach to the Golden Gate Bridge, via Lombard Street tunnel to a point near the San Francisco approach to the San Francisco-Oakland Bay Bridge.

262. The MacArthur Expressway is from State Route 14 near the distribution structure in Oakland to State Route 5 near Hayward.

263. The Transbay Expressway is from State Route 2 near San Bruno to State Route 14 at Crockett.

264. The Tunnel Road Expressway is from the Transbay Expressway near Folger Avenue to Route 75.

265. The expressway routes described in Sections 257, 258, 262, and 264 are added to the State Highway System as state highway routes."

Amendment No. 5

On page 17 of said bill, strike out lines 1 to 8, inclusive.

Amendment No. 6

On page 17, line 9, of said bill, strike out "232".

Amendments read.

The roll was called, and the amendments refused adoption by the following vote:

AYES—Brady, Butters, Clarke, Cooke, Crowley, Lester T. Davis, Ralph C. Dills, Geddes, Heisinger, James, Lowrey, Robertson, Silliman, Stephenson, Thorp, and Mr. Speaker—16.

NOES—Bennett, Berry, Blosser, Burke, Caldecott, Collier, George D. Collins, Conrad, Cramer, M. Philip Davis, Debs, Dickey, Dolwig, Doyle, Erwin, Evans, Field, Fletcher, Grant, Grunsky, Hahn, Hawkins, Hinckley, Hinton, Hollibaugh, Huyck, Kilpatrick, Kirkwood, Luckel, Lyons, Maloney, McCollister, McMillan, Niehouse, O'Day, Price, Rosenthal, Sherwin, Stanley, Stewart, Thomas, Thurman, Waters, Weber, and Wollenberg—45.

Consideration of Further Amendments to Senate Bill No. 5

Motion to Amend

Mr. Stewart moved the adoption of the following amendment:

Amendment No. 1

On page 6, line 24, of the printed bill, as amended in the Assembly on April 3, 1947, after "under", insert "Sections 2104, 2110, and".

Amendment read.

The roll was called, and the amendment refused adoption by the following vote:

AYES—Beck, Bennett, Burke, Caldecott, Collier, Conrad, Cramer, M. Philip Davis, Debs, Dickey, Ralph C. Dills, Erwin, Field, Fletcher, Geddes, Hahn, Hinton, Huyck, Kilpatrick, Luckel, Lyons, Maloney, McMillan, Niehouse, Stewart, Thomas, Waters, and Mr. Speaker—28.

NOES—Berry, Blosser, Brady, Butters, Clarke, George D. Collins, Cooke, Crowley, Lester T. Davis, Dolwig, Evans, Grant, Grunsky, Heisinger, Hinckley, James, Kirkwood, Lowrey, McCollister, O'Day, Price, Sherwin, Silliman, Stanley, Stephenson, Thorp, Thurman, Weber, and Wollenberg—29.

Consideration of Further Amendments to Senate Bill No. 5

Motion to Amend

Mr. Wollenberg moved the adoption of the following amendment:

Amendment No. 1

On page 12, line 25, of the printed bill, as amended in the Assembly on April 3, 1947, following the period after "section", insert "This section does not require the department to pay any portion of such cost of removal or relocation in any case in which such person has by franchise, permit or other contract assumed any contractual obligation to remove or relocate at his own expense any such utility service structure from or in such street or highway. Nothing in this section is intended to relieve any such person from the obligations of any such contract."

Amendment read.

Point of Order

Mr. Dickey arose to the following point of order: That Mr. Wollenberg's amendment is not in order because it nullifies an amendment previously adopted.

Ruling by Speaker

Speaker Collins ruled the point of order not well taken, as the amendment modifies rather than nullifies.

The question being on the adoption of the amendment offered by Mr. Wollenberg to Senate Bill No. 5.

Demand for Previous Question

Messrs. Clayton A. Dills, Lowrey, Robertson, Waters, and McMillan demanded the previous question

Demand for previous question sustained

The question being on the adoption of the amendment offered by Mr. Wollenberg to Senate Bill No. 5.

The roll was called, and the amendment refused adoption by the following vote:

AYES—Berry, George D. Collins, Hinckley, Hinton, Maloney, Robertson, Thurman, and Wollenberg—8.

NOES—Anderson, Beck, Bennett, Blosser, Brady, Burke, Butters, Clarke, Collier, Conrad, Cramer, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Erwin, Evans, Field, Fletcher, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hollibaugh, Huyck, James, Kilpatrick, Lowrey, Luckel, Lyons, McCollister, McMillan, Niehouse, Rosenthal, Silliman, Stanley, Stephenson, Stewart, Thomas, Thorp, Waters, Weber, and Mr. Speaker—50.

Consideration of Further Amendments to Senate Bill No. 5

Motion to Amend

Mr. Beck moved the adoption of the following amendments:

Amendment No. 1

Strike out the title of the printed bill, as amended in the Assembly on April 3, 1947, and insert

"An act to provide for a System of Public Streets and Highways in this State and for the financial support thereof."

Amendment No. 2

On page 2 of said printed bill, strike out lines 1 to 44, inclusive; strike out all of pages 3 to 23, inclusive; and strike out lines 1 to 15, inclusive, on page 24.

Amendment No. 3

On page 24 of said printed bill, strike out "Sec. 43.", and insert "SEC. 1."

Amendments read, and refused adoption.

Senate Bill No. 5 ordered reprinted, and to third reading.

RECESS

At 1.50 p.m., on motion of Mr. Dickey, the Assembly recessed until 4 p m.

REASSEMBLED

At 4 p.m., the Assembly reconvened.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

RESOLUTIONS

The following resolution was offered:

By Mr. Hollibaugh:

House Resolution No. 41

Resolved, That the Controller be and he is hereby authorized to draw his warrants on the Contingent Fund of the Assembly in favor of the persons listed below and for the amounts of money set opposite their respective names, and as itemized below, and the State Treasurer is hereby authorized and directed to pay the same.

Alice Book (transcribing 773 folios)	$199 60
Harold Krabbenhoft (transcribing 2,090 folios)	523 00

Resolution read, and referred to the Committee on Rules.

CONSIDERATION OF DAILY FILE (RESUMED)
THIRD READING OF ASSEMBLY BILLS (RESUMED)

Assembly Bill No. 43—An act to amend Sections 143, 148, 179, and 181 of the Vehicle Code, and to amend Section 7102 of, and add Section 6460 and 7053.5 to, the Revenue and Taxation Code, relating to the application of the sales and use taxes to motor vehicles and the disposition of proceeds therefrom.

Bill read third time.

Motion to Amend

Mr. Sam L. Collins moved the adoption of the following amendments:

Amendment No. 1

On page 1, line 19, of the printed bill, after "registration", insert "of other than a new vehicle".

Amendment No. 2

On page 2, line 18, of the printed bill, after "and", insert ", except in the case of a new vehicle,".

Amendment No. 3

On page 2, line 36, of the printed bill, after "vehicle", insert "except a new vehicle,".

Amendment No. 4

On page 3, line 4, of the printed bill, after "vehicle", insert "other than a new vehicle".

Amendment No. 5

On page 3 of the printed bill, strike out lines 8 to 16, inclusive, and insert "after either (a) payment of all amounts due under this part with respect to the transfer of any interest in any vehicle of a type subject to registration under the Vehicle Code, (b) the filing with the board by the transferor of a certificate in such form as the board

may prescribe to the effect that the transferor will make a return and payment of the tax for the reporting period in which the transfer was made, unless the board determines that no tax is due with respect to the transfer, or (c) a determination that no tax is required to be paid with respect to the transfer, or, if the use tax is applicable and the transferor is not required under Section 6203 to collect the use tax, that the transferee will make a return and payment of the use tax for the reporting period in which the transfer was made."

Amendment No. 6

On page 3 of the printed bill, following line 22, insert

"SEC. 8. This act, inasmuch as it provides for a tax levy for the usual current expenses of the State, shall, under the provisions of Section 1 of Article IV of the Constitution, take effect immediately; provided, however, that the provisions hereof shall become operative on July 1, 1947."

Amendment No. 7

On page 2 of the printed bill, strike out line 9, and insert

"(c) Except in the case of a new vehicle, that the required certificate of sales and use tax clearance has not".

Amendment No. 8

On page 2, line 21, of the printed bill, after the period, insert "A sales and use tax clearance is not required for transfer of registration with respect to a chattel mortgage lien subject to Chapter 3 of this division."

Amendment No. 9

On page 2, line 35, of the printed bill, after "transfer", insert ", except with respect to a chattel mortgage lien subject to Chapter 3 of this division,".

Amendment No. 10

On page 3, line 3, of the printed bill, after "transfer", insert ", except a transfer of registration with respect to a chattel mortgage lien subject to Chapter 3 of this division,"

Amendment No. 11

On page 3, line 17, of the printed bill, strike out "6", and insert "7".

Amendments read, and adopted.

Bill ordered reprinted, and re-engrossed.

NOTICE OF MOTION TO RECONSIDER AMENDMENTS TO SENATE BILL NO. 5

Mr. George D. Collins gave notice that on the next legislative day he would move to reconsider the vote whereby his amendments to Senate Bill No. 5 were this day refused adoption.

Request for Unanimous Consent to Temporarily Suspend the Rules

Messrs. Dickey and Wollenberg asked for, and were granted, unanimous consent that the Rules be temporarily suspended for the purpose of considering Mr. George D. Collins' notice of motion to reconsider the vote whereby his amendments to Senate Bill No. 5 were this day refused adoption, at this time.

Point of Order

Mr. Dickey arose to the following point of order: That Mr. George D. Collins is not speaking to the question.

Ruling by Speaker

Speaker Collins ruled the point of order well taken.

The question being on the motion to reconsider the vote whereby the amendments offered by Mr. George D. Collins to Senate Bill No. 5 were this day refused adoption.

Demand for Previous Question

Messrs. McCollister, Grunsky, Kirkwood, Stewart, and Rosenthal demanded the previous question.

Demand for previous question sustained.

The question being on the motion to reconsider the vote whereby the amendments offered by Mr. George D. Collins to Senate Bill No. 5 were this day refused adoption.

The roll was called, and the motion lost by the following vote:

AYES—Anderson, Beck, Bennett, Berry, Brady, George D. Collins, Lester T. Davis, Debs, Dunn, Gaffney, Hawkins, Heisinger, Lowrey, McMillan, Miller, O'Day, Rosenthal, Sheridan, and Thomas—19.

NOES—Blosser, Boyd, Burke, Butters, Caldecott, Carey, Clarke, Collier, Conrad, Cramer, Crichton, M. Philip Davis, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Erwin, Evans, Field, Gannon, Geddes, Grant, Grunsky, Hahn, Hinckley, Hinton, Hollibaugh, Huyck, James, Kirkwood, Loomis, Luckel, Lyons, Maloney, McCollister, Niehouse, Price, Robertson, Sherwin, Silliman, Stanley, Stewart, Thompson, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—49.

Further Consideration of Senate Bill No. 5

Senate Bill No. 5—An act to provide for a System of Public Streets and Highways in this State and for the financial support thereof, including the levying of taxes therefor, and relating to vehicles thereon and for that purpose to repeal Article 2 of Chapter 2 of Division 1 and Sections 1028, 1029, 188, 190, 191, 203, 232, 1021, 1022, 1023, 1024, 1621, 1625.5, 1626, 1626.5, 1627, and 1628 of, to amend Sections 181, 189, 193, 194, 195, 300, and 1622 of, and to add Division 3, Article 2 of Chapter 2 of Division 1, and Sections 29, 74, 188, 188.2, and 188.4 to, the Streets and Highways Code, to repeal Sections 276.5, 779, 780, and 782, and 142, to amend Sections 276, 277, 370, 372, 381, and 781 of the Vehicle Code, and to repeal Part 4, comprising Sections 9601 to 10501, inclusive, of Division 2 and Sections 8353, 8353.5, 8354, 8355, 8356, 8357, and 8358 of, to amend Sections 7351, 8352, 8651, 9302, 9303, and 9304, and to add Part 4, comprising Sections 9601 to 10501, inclusive, to Division 2 of, and Section 8353 to, the Revenue and Taxation Code, and to amend Section 7 of Chapter 788 of the Statutes of 1937.

Bill read third time.

Demand for Previous Question

Messrs. James, Brady, Kirkwood, Rosenthal and Weber demanded the previous question.

Demand for previous question sustained.

The question being on the passage of Senate Bill No. 5.

The roll was called, and the bill passed by the following vote:

AYES—Anderson, Bennett, Berry, Blosser, Brown, Burke, Conrad, Cooke, Cramer, Debs, Dickey, Clayton A. Dills, Dolwig, Doyle, Dunn, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Hollibaugh, Huyck, Kilpatrick, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Niehouse, O'Day, Price, Robertson, Silliman, Stephenson, Stewart, Thompson, Waters, Weber, and Mr. Speaker—41

NOES—Allen, Beck, Boyd, Brady, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Ralph C. Dills, Erwin, Evans, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, James, Kirkwood, Loomis, Miller, Rosenthal, Sheridan, Sherwin, Stanley, Thomas, Thorp, Thurman, and Wollenberg—35.

Explanation of Vote

We voted to send Senate Bill No. 5 to the Senate because we believe it would be useless to hold the bill in the Assembly longer. We are opposed to the bill as it leaves this House, but the only solution we can see is to get it into free conference.

ALBERT I. STEWART
CHARLES J. CONRAD

Explanation of No Vote on Senate Bill No. 5

This bill in its present form is stripped of moneys to provide construction or maintenance of a proper State, County, and City Highway System. Under present law we could build highways if we had sufficient funds. This bill was proposed to provide funds. This it does not now do.

S. L. HEISINGER

Motion to Adjourn

Mr. Dickey moved that the Assembly do now adjourn until 11 a.m., Tuesday, April 8, 1947.

Notice of Motion to Reconsider Senate Bill No. 5

Mr. Wollenberg gave notice that on the next legislative day he would move to reconsider the vote whereby Senate Bill No. 5 was this day passed.

ALL MATTERS ON FILE CONTINUED BY UNANIMOUS CONSENT

By unanimous consent, all matters on file were ordered continued until the next legislative day.

TRANSCRIPT OF HEARING IN THE COMMITTEE OF THE WHOLE RELATIVE TO AMENDMENTS NOS. 9 AND 10 TO SENATE BILL NO. 5

Pursuant to a request for unanimous consent, previously granted, Mr. Wollenberg offered the following transcript, taken in the Committee of the Whole; Mr. Craemer and Mr. Brown of the Public Utilities Commission gave testimony relative to Amendments Nos. 9 and 10 to Senate Bill No. 5.

ASSEMBLY IN COMMITTEE OF THE WHOLE HEARING TESTIMONY GIVEN BY MEMBERS OF THE PUBLIC UTILITIES COMMISSION RELATIVE TO PROPOSED AMENDMENTS NOS. 9 AND 10 TO SENATE BILL NO. 5

Assembly Chamber, State Capitol Building
Sacramento, California

Wednesday, April 2, 1947, 11.15 a.m.

CHAIRMAN MALONEY: May I present to this Assembly in Committee of the Whole, Mr. Craemer and Mr. Brown of the Public Utilities Commission. These men are here at the request of Mr. Collins. I think Mr. Collins should have the privilege of conducting this examination.

ASSEMBLYMAN FIELD: Mr. Speaker, let the record show that these men are here at the request of the Assembly to answer questions. I'd like that for the record.

CHAIRMAN MALONEY: If there are no objections, the record will so show. Each one will have the opportunity to have the floor. Mr. Collins, do you wish to start first? Mr. Craemer is here.

ASSEMBLYMAN GEORGE D. COLLINS: Mr. Craemer, you are a member of the Public Utilities Commission of the State of California, are you not?

MR. CRAEMER: I am.

ASSEMBLYMAN GEORGE D. COLLINS: And you have been for what period of time?

MR. CRAEMER: I have been a member for the past eight years.

ASSEMBLYMAN GEORGE D. COLLINS: A week or so ago you appeared before the Subcommittee of the Ways and Means Investigating the Budget as far as the Public Utilities Commission was concerned, did you?

MR. CRAEMER: That is correct.

ASSEMBLYMAN GEORGE D. COLLINS: And at that time you made certain statements with reference to the transportation industry of this State, and especially of the trucking industry, did you?

MR. CRAEMER: That is right

ASSEMBLYMAN GEORGE D. COLLINS: And the utility industry as a whole?

MR. CRAEMER: And the utility industry as a whole.

ASSEMBLYMAN GEORGE D. COLLINS: Now, Mr. Craemer, calling your attention to the matter of the trucking industry, which seems to be the matter that we are especially interested in now, what would you say was the condition of that industry at the present time?

MR. CRAEMER: I think your question should direct itself to what we found it in from our records in the past year. I think our testimony was confined to that particular field.

ASSEMBLYMAN GEORGE D. COLLINS: We will so limit it then.

MR. CRAEMER: If you want me to sort of review what we testified to before the committee, I'll be glad to do that.

ASSEMBLYMAN GEORGE D. COLLINS: Yes.

MR. CRAEMER: Then when I have finished you can ask any questions you wish. I think that will simplify the procedure.

We testified, for instance, that the number of permitted carriers, and those of you who are not familiar with what a permitted carrier is, he is one who can come to us with $3 and make an application for a permit to go into the trucking business as a contractor or regular highway carrier and city carrier as well.

Now, our testimony at that hearing—we said that in 1943, ending the fiscal year on June 30th, 5,563 applications were filed, and in the year 1946, ending the calendar year, there were 16,509 applications had been filed.

Our records showed that in 1943 we had 8,561 permitted operators, and on December 31, 1946, we had 16,250 permitted operators, and the number of permits issued for those respective years are a little different than the number of applications filed because you have the lag of processing applications; but in 1943 there were 8,561 permits issued and in 1946 there were 15,702 permits issued. Now, that is substantially the testimony we gave with respect to permitted carriers, and we were making the plea before your committee for added staff so that the delays that are occasioned because of the terrific volume could be lessened.

Then when we came to the common carriers and certificated carriers, we gave you some statistics as to their operating ratios from our records and our studies which were used in the various cases that have been before the commission the past year. For highway common carriers and the transportation of general freight, we found an operating ratio for the

year 1945 of 101 06, and for 1946 it was 102.67 Now, those are the carriers that hold themselves out to haul any commodity at any time on their regular schedules between the points that their certificate permits them to serve.

In agricultural commodities the operating ratio in 1945 was 99 21, and in 1946 it was 95.76.

Livestock in 1945 was 85.04, and in 1946 the operating ratio was 88.84.

Household goods in 1945 the operating ratio was 102.21, and in 1946 it was 104 09.

ASSEMBLYMAN MCCOLLISTER: Mr. Craemer, would you explain your operating ratio figure? Do I interpret that to mean that 101.1 is a profit of 101 percent which was realized?

MR. CRAEMER: I'll tell you what operating ratio means. Operating ratio means the percent which a carrier's direct operating expenses bear to its total operating revenue Direct operating expenses include operation and maintenance, depreciation, operating taxes and licenses and operating rents, but excludes interest charges on debt, income taxes and any return on the investment in property devoted to the service. The operating revenue includes all revenue derived from the carrier's transportation business, but does not include income derived from other activities or other miscellaneous income charges

ASSEMBLYMAN MCCOLLISTER: So that an operating ratio over 100 means a loss?

MR CRAEMER: That is right If it is under 100, it represents a profit. There is so much that goes to carrying charges, income tax, and return on investment.

ASSEMBLYMAN MCCOLLISTER: Thank you

MR. CRAEMER: Now, other commodities, and when I say other commodities, these carriers are segregated down because applications come to us for rate increases in categories similar to those I'm illustrating. Other commodities—that means special services such as film, cement, dump truck operators, and so forth—their operating ratio in 1945 was 101 85, and in 1946 it was 109.32.

It would be only fair to say we granted rate increases in 1946 that didn't have an opportunity to reflect themselves in the return of those carriers, and so it isn't fair to say that that is a story that continues until you have waited and found out what the experience record shows on the rate increases.

Now on permitted carriers I can go through the same field General freight had an operating ratio in 1945 of 98.63 and in 1946 it was 98.20.

The agricultural commodities for permitted carriers in 1945 had an operating ratio of 92.77, and in 1946 of 90.94.

The permitted carrier has this opportunity. He can choose and select the kinds of traffic he carries. If a commodity is offered to him and he doesn't like the price that is paid him for the service, he can refuse it. A common carrier can't refuse it. He has to take it.

Heavy machinery, pipe and steel, had an operating ratio in 1945 of 100.25, and in 1946 it was 99.11.

Petroleum products in bulk for 1945 had an operating ratio of 97.30, and in 1945 it was 99.09.

I might say here for the record that on February 1st they were granted an increase in rates.

Other commodities in the permitted carrier field in 1945 had an operating ratio of 96.16, and in 1946 it was 97.16.

That is about our testimony as I remember it. I don't know whether they offered any testimony with respect to the city carriers. We have those figures, too. I can't remember whether we did, but they are in keeping with those already offered. We testified further as to the number of carriers, the number of permits that come to us and the number of cancellations that happen each month, and if I remember rightly, we took several typical months and made an illustration to show just what these were. I don't know whether we offered any testimony at that time on the reasons for cancellations, but we set it in the neighborhood of 800 carriers in the permitted field of business every month, and we get applications that substantially, as I have said before, show increases each successive month in the number of carriers that operate, but we do have a number of fatalities each month that run in the neighborhood of 800, and some months a little higher.

In recent months it has leveled off to 800 a month.

I think that is about the story, Mr. Collins, that we told you down there.

I've just been told that we did testify to the operating ratios of the permitted carriers in the business within cities, drayage business in cities, and also intercity, like San Francisco to Oakland. Their operating ratio on general freight in 1945 was 96.43, and in 1946 it was 97.03.

The operating ratio on household goods in 1945 was 103.59, and in 1946 it was 100.67.

Now, we have applications on file for rate increases from those people.

ASSEMBLYMAN GEORGE D. COLLINS: Now, Mr. Craemer, in reference to the permitted carriers, what is the turnover there, would you say in percentages?

MR. CRAEMER: I think I have got some figures here on the percentage. You will have to give me a little time to dig these out. A lot of this material that we presented to you at the time came from the records in Case 408, in a general investigation that the commission has been conducting to try and find out what causes all this turnover. I'm not sure that I have those figures with me. I haven't the figure with me on a percentage basis, but I can tell you this, Mr. Collins, that in the month of December, 1946, for instance, the number of permits revoked were 561, in November it was 878, in October it was 953, and in September it was 1,084. That gives you a picture of the number of revocations. Now, you want the number that were authorized in those same months?

ASSEMBLYMAN GEORGE D. COLLINS: Yes.

MR. CRAEMER: I'm afraid I haven't those figures, but the authorizations will show a net in each one of those months. I don't happen to have them with me here. I'd say you can see the average of new additions by that tremendous growth we have had. Let me give you the figure in 1945. The number in 1945 was 9,377, and in 1946 it was 15,702. Well, there you have a difference of almost 6,000 new carriers for a period of a year. That would be 500 a month.

ASSEMBLYMAN GEORGE D. COLLINS: So that it is on the increase? That is, over prior months?

MR. CRAEMER: Over the revocations?

ASSEMBLYMAN GEORGE D. COLLINS: Yes.

MR. CRAEMER: Yes.

ASSEMBLYMAN GEORGE D. COLLINS: Now, in reference to these revocations, what is the cause of them? I think you gave us some testimony before the committee.

MR. CRAEMER: Well, I can take those same months; December, 1946, the revocations because of inadequate insurance were 324. Going out of business numbered 150. Sale of business where they transferred to a new owner numbered 34. And then there are a number of other reasons. That gives you the story. You have 561 revocations.

ASSEMBLYMAN GEORGE D. COLLINS: Now, the matter of revocations because of lack of insurance—how is that caused?

MR. CRAEMER: Well, there are several reasons. Sometimes a carrier may have an accident hazard and can't find a company that will insure him. Another time he has failed to pay his insurance bill, and it is incumbent upon the insurance company to notify the commission so that we can immediately automatically revoke the permit, because an operation that might result in an accident, could well bring some claims against the commission and the State for failure to provide, to see that these carriers had insurance, and the law provides that we must do that. We must revoke the permit the minute the records show that the insurance is not in force.

ASSEMBLYMAN GEORGE D. COLLINS: Now, in your testimony before that committee you also gave some instances as to particular firms, and I remember you referred to especially the largest carrier of all in the State, and what was the condition of that carrier, and is that a fair example of others?

MR. CRAEMER: Well, let me get my record.

ASSEMBLYMAN GEORGE D. COLLINS: That was the one that had 900 trucks I believe you said, and about 2,000 employees.

MR. CRAEMER: I can't give you the specific figure on that one. I think Mr. Brown testified to that I can give you a general picture on the common carriers and the certificated common carriers in 1946. That is the list that was used by our engineering staff to make a typical study. Their revenue in 1946 was 19,000—$19,113,455, and the operating revenue for income tax and carrying charge and return to investment showed a red ink of $510,424 Mr. Brown tells me he can give you that tabulation on this particular largest carrier.

ASSEMBLYMAN GEORGE D COLLINS: Well, perhaps it would be the thing in order to keep the record in sequence to ask Mr. Brown that question now.

MR. BROWN: The operating ratio of this carrier that I referred to before your committee in 1945 was 104.55, and in 1946 it was 106.32.

ASSEMBLYMAN GEORGE D. COLLINS: That would show a loss, would it, Mr. Brown?

MR. BROWN: What was that?

ASSEMBLYMAN GEORGE D. COLLINS: That shows a loss, does it?

MR. BROWN: Yes, that shows a loss. Anything over 100 operating ratio is a loss.

ASSEMBLYMAN GEORGE D. COLLINS: I see.

ASSEMBLYMAN WOLLENBERG: That is the largest carrier in California?

MR. BROWN: That is the largest carrier in the State of California.

ASSEMBLYMAN WOLLENBERG: That is engaged in the trucking industry?

MR. BROWN: Yes, they are common carriers holding themselves out to the public generally for transportation for everyone. They have to accept any freight that is offered.

ASSEMBLYMAN WOLLENBERG: Are they only engaged in the freight business, or have they other operations than transportation?

MR. BROWN: Yes, they have some warehousing business.

ASSEMBLYMAN WOLLENBERG: They have a warehousing business?

MR. BROWN: Yes, and they have tank truck operations.

ASSEMBLYMAN WOLLENBERG: And they have other operations then than just the transportation as a common carrier?

MR. BROWN: That is correct.

ASSEMBLYMAN WOLLENBERG: Do you regulate their warehousing operations?

MR. BROWN: Yes.

ASSEMBLYMAN WOLLENBERG: You do that? Do you know what their income was on that?

MR. BROWN: I think we have included it in these figures. Yes, we show other income besides the public utility business of $23,578 in 1945, and $23,031 in 1946.

ASSEMBLYMAN WOLLENBERG: Did you take the other business or business other than the business you regulate?

MR. BROWN: That is right.

ASSEMBLYMAN WOLLENBERG: Into consideration?

MR. BROWN: That is right.

ASSEMBLYMAN WOLLENBERG: And you don't know whether—do you know then whether that particular operator or business house made a net profit or a net gain at the end of the year for we'll say income tax purposes?

MR. BROWN: Well, I can't tell you that We haven't made any study on it, but I would like to make this clear that effective March 31st, we gave this carrier and other carriers an increase in rates. We gave them an increase of 12 percent on shipments up to 20,000 pounds, an increase of 8 percent on shipments above 20,000 pounds, and in quantity rates, which mean the rates up to and including 2,000 pounds, we added a 3-cent arbitrary, a 3 cents 100 pounds arbitrary, and we also gave them a minimum charge of $1. Now, we believe that is going to go a long way to alleviate the situation, their financial stress.

ASSEMBLYMAN WOLLENBERG: Mr. Brown, what I'm getting at is this though. When you take into consideration the business of this, of any particular carrier that is under your jurisdiction for the purpose of rates, is that the same situation as his report might be, we'll say for the Bank and Corporation Franchise Tax Commissioner to show his net gain or loss for the purpose of taxes to the State at the end of the year?

MR. BROWN: It may or may not be.

ASSEMBLYMAN WOLLENBERG: It may or may not be?

MR. BROWN: That is correct.

ASSEMBLYMAN WOLLENBERG: In other words, you wouldn't be able to say whether he would return a gain at the end of a year or whether he would return a loss at the end of the year for tax purposes from your figures?

MR. BROWN: No, I know that a great many of these operators are engaged in businesses that are not utility businesses and are not under our jurisdiction.

ASSEMBLYMAN WOLLENBERG: In other words, that type of operator may for tax purposes want to keep rates at a certain basis, or want to charge for his transportation business so that at the end of the year it may be to his advantage to show a loss, if he has other businesses that are bringing in income for tax purposes?

MR BROWN: That may be true But, I know some of these operators have ranches.

ASSEMBLYMAN WOLLENBERG: Yes, but some have warehouses and other things that all bring in revenue.

MR. BROWN: Yes, and as I say, it wouldn't necessarily mean that our figures would jibe with the figures of the Franchise Tax Commissioner.

ASSEMBLYMAN WOLLENBERG: But your figures—you are interested in the utility business alone and it is on that that you figure or fix your rates.

MR. BROWN: That is all the law permits us to do.

ASSEMBLYMAN WOLLENBERG: Thank you.

ASSEMBLYMAN SILLIMAN: Do I understand you, Mr. Brown, that you don't think that in fixing this ratio you speak of, your operating ratio, that profits from other businesses which you do not regulate are not in those operating ratios?

MR. BROWN: As I said, in this particular carrier, we did include some other that wasn't utility business.

ASSEMBLYMAN SILLIMAN: Can you tell me, Mr. Brown, had these figures been excluded, had the figure been limited only to the transportation business, would the operating ratio have been greater or less?

MR. BROWN: The operating ratio would have been greater. The loss would have been greater.

ASSEMBLYMAN STEWART: Mr. Brown, this transportation organization that you referred to that showed a loss, is it affiliated with any other transportation organization in this State? Any railroad or any other company engaged in transportation?

MR. BROWN: No, not at all.

ASSEMBLYMAN STEWART: It has no connection with any other transportation other than its own?

MR. BROWN: None at all

ASSEMBLYMAN STEWART: Thank you.

ASSEMBLYMAN THOMAS: Mr. Craemer or Mr. Brown, I would like to ask this question: The testimony you gave this morning and the evidence presented, would you say that all of the trucking interests or businesses have shown a reasonable profit during the past year for operation except this one particular trucking business you speak of?

MR. CRAEMER: Well, Mr. Thomas, that is a pretty broad question, and I think that the operating ratios that I used in my opening illustration definitely show that some of them are making money.

ASSEMBLYMAN THOMAS: Well, the question I wanted to ask was to bring this conclusion down to a specific statement. We have been going over all of this testimony very broadly. Now, let's get down to a specific statement. How many trucking businesses have shown a reasonable profit this last year?

MR. CRAEMER: Well, Mr. Thomas, with 17,000 operators in the State of California, I would just have to make a bold guess, and I doubt if you want hearsay.

ASSEMBLYMAN THOMAS: I think the reason the Assembly asked for your appearance this morning was to show, that is the intent was to show that the trucking industry was making a profit, and I think the questioning that is going on this morning here is to bring out that fact.

MR. CRAEMER: Well, I think my breakdown that I gave you at the start, that directed itself to operating ratios of classes of carriers is the best answer we can give you. We can't break them down to individual carriers. That is impossible because there are common carriers that are making money, but the percent of them in the common carrier field has been small, and we have granted increases. One of them becomes effective this week, the thirty-first of March, to relieve that situation.

Now, in the livestock carrying field, they have been making money. They have been making money—since the increase in the petroleum tank truckers, I'm sure they are going to make money, but they haven't been up until February 1st. We can't dispose of all these applications at one time.

Maybe I could give you a little picture of what the commission does with these applications. You take in 1945. We did give the livestock carriers a 12½ percent increase at the request of the agricultural people. They just couldn't get these fellows to haul their commodities unless the rates were up. They were going out of the livestock hauling business. They were converting that equipment into hauling so they could haul other commodities.

Then in 1946 we gave specific relief to such carriers as Pacific Freight Lines, Valley Express, Delta Lines, Southern California Freight, and a number of others. They were specifically given that relief to take care of their local situation on a showing they made before the commission, and the same year in June, 1946, we granted a general increase of 12 percent to the over-all carriers.

As I said, in 1947 we granted the increase of 20 percent to petroleum haulers, tank truckers, effective March 31, 1947.

ASSEMBLYMAN THOMAS: Does your record show anything of the Pacific Freight Lines?

MR. CRAEMER: Mr. Brown has some breakdowns taken from a study. He's given you that testimony.

ASSEMBLYMAN THOMAS: Mr. Collins, in your questioning, what facts are you trying to prove from the commission this morning in asking the questions dealing with the profits made by trucks?

ASSEMBLYMAN GEORGE D. COLLINS: Mr. Thomas, I'm not trying to prove anything, and I don't think it is our business here to try to prove anything. We are trying to get the facts. When we have the facts, then we are to exert our opinion on them. As I understand the business of a legislator, it is that and nothing more. It isn't his business to try to prove a case one way or the other after he has made up his mind one way or the other.

ASSEMBLYMAN THOMAS: You made the motion to have the commissioner appear here, and I was just wondering if it was the intent to show that the trucking industry was making a profit.

ASSEMBLYMAN GEORGE D. COLLINS: I really wanted to get the facts before this body. I can state to you at the present time that some of the witnesses on behalf of the commission stated that the trucking industry and the transportation industry as a whole was in a very serious condition and that they were not giving these people a fair return on their investment, but that they were merely nursing them along because if they went under, it would be a serious condition as far as the economic life of the State is concerned. Now, as I go along I want to bring out the testimony that was given to us and any other new testimony that we may develop here from what is told us this morning.

CHAIRMAN MALONEY: Is that an answer, Mr. Thomas?

ASSEMBLYMAN THOMAS: Yes.

ASSEMBLYMAN FIELD: I would like to ask Mr. Craemer if the 12 and 8 percent increase which you granted the Pacific Freight Lines—was that based upon the fact that that would be a fair return for their investment, or was it just to keep them solvent?

MR. CRAEMER: Mr. Field, they have always made requests for greater increases and the commission has arrived at those figures as a matter of judgment that it should give them some compensation. You are living in times that you can't project a future cost.

ASSEMBLYMAN FIELD: I agree with you on that, Mr. Craemer. I'll ask the question again. Was that rate increase given that they might get a fair return on their money, or to keep them solvent?

MR. CRAEMER: It was given to give them a return on their investment in our judgment. What the return would be that was pretty well conjectural. We didn't earmark it to a specific figure.

ASSEMBLYMAN FIELD: You also felt, did you not, if you did give—well, with an operating ratio of 105 or 106, if they didn't get an increase, they couldn't continue to operate like that forever, could they?

MR. CRAEMER: That is true.

ASSEMBLYMAN GANNON: Mr. Craemer, I was called out twice and you may have answered this question. But, you have stated earlier that 800 permits were canceled a month. Now, would that mean to this body that 800 men found the trucking business unprofitable or not, do you know?

MR. CRAEMER: Well, I can only say that our records show that 800 of them ceased their operations for the reasons that I have stated, inadequate insurance, going out of business. We don't know what the reason is why they have gone out of business. We know some have sold out, and we even have instances where they failed to pay their quarterly fee of $\frac{1}{4}$ of 1 percent, and we are forced to cancel their permits under those circumstances.

ASSEMBLYMAN GANNON: How about the insurance, is it expensive on trucks?

MR. CRAEMER: I understand it's raised quite materially. I think it would be a fair picture to say to this body that a man that comes in, say a GI, and wants to go into the trucking business, by the time he gets his insurance, and gets himself organized so he can start, it will cost him $300.

ASSEMBLYMAN GANNON: That is the figure you gave, $300 to start. Now, you said something upstairs about the recent competition on railroad freight. What can you tell the Assembly on that? The service by the railroad companies?

MR. CRAEMER: I think I know what you refer to. In April, 1946, the Southern Pacific was permitted to reinstitute its overnight freight train —it runs a passenger train schedule—between Los Angeles and San Francisco.

At the outset of the war because of orders of the ODT they were compelled to take that particular equipment out of the particular service it was in and dedicate it to some war effort, and naturally the highway transportation industry developed a lot of business out of the failure of the Southern Pacific to run its 30 or more cars every night between Los Angeles and San Francisco. Naturally, when they came back in April of last year, that business began to go back on rails and it left the highway carriers in a more competitive situation. There is no question about that, and probably some of these rate increases were necessitated out of a loss of a lot of volume of business Load factor, for your information, is one of the rate making measuring sticks. If a carrier hasn't a load factor, he just simply can't get a return on a rate, and the commission needs to judge whether the service has to be maintained even if the carrier can't get the load factor.

ASSEMBLYMAN FIELD: Mr. Craemer, can you tell us as to the increase in applications for rate increases that you have now, even since the budget was submitted to the Governor and what you have had at the present time as compared to a year ago?

MR. CRAEMER: Well, I think the statement would be better made this way that the applications for, of various kinds, not only rate increases, but applications for certification and change of routes and so forth have probably grown, oh, I would say 40 or 50 percent. We are operating the largest calendar we have operated in a long time, and I think that is why we are before you to secure this extra help so we can expedite some of these hearings.

ASSEMBLYMAN FIELD: Now, will you tell the Assembly, Mr. Craemer, the steps that the truck operator has to take in order to prepare his pleading before the commission for a rate increase?

MR. CRAEMER: Well, he makes his application, and under the law we give 10 days' notice before a case can be set for hearing If the applicant is ready to proceed with the hearing, has his record prepared, naturally he goes before us and makes his record.

ASSEMBLYMAN FIELD: How much of a record does he have to have?

MR. CRAEMER: Well, it is dependent on what kind of an application he is offering If he is directing himself to a small size operation, it would be a rather modest record. If he is a large operator and has to produce a lot of records, he has a little different problem. Or if it is a general application and directs itself to all rates, we have to have a cross section of operators on a case of that kind, and then after they have made that presentation, and even the minute they file their application our own staff is given the assignment to make some studies of typical operators to see what we find from their records from our point of view, and of course, that is introduced into the record as well, and then it is the commission's job to determine from the record of the carrier and from the record, if the

commission finds it necessary to make one, from the record of the commission and what the over-all record jusifies and to make a decision and determination.

ASSEMBLYMAN FIELD: Now, supposing there is opposition from the shippers to a specific rate increase.

MR. CRAEMER: Well, they have a right to be heard. We give 10 days' notice before we set it for hearing.

ASSEMBLYMAN FIELD: If they want to file a protest, that delays the decision of the commission, does it not?

MR. CRAEMER: They have a right to make studies and present them.

ASSEMBLYMAN FIELD: But, that delays the decision of the commission?

MR. CRAEMER: That is right.

ASSEMBLYMAN FIELD: Has your department or has the utility commission made any study as to the mileage of gasoline as compared with diesel in trucks?

MR. CRAEMER: We haven't any recent studies on that, no. I can only make the general statement that on a long haul diesel is the better, and on a short haul, the gasoline is the better.

ASSEMBLYMAN GEDDES: Mr. Craemer, I would like to just follow up a little on the question that Mr Field was asking. In making a presentation before the commission, would a carrier come in with a rather complete statement where he would start with his invested capital and then the operating cost, and those costs would be broken down as to the fuel he would use and the amount of help he had and the rates paid for that help and tires and everything else that it costs to operate, and then on those he would establish that his cost for hauling a ton or a greater unit is so much, and then he may or may not be faced with a competitive rate provided by other carriers?

MR. CRAEMER: That is right.

ASSEMBLYMAN GEDDES. He would make rather a complete presentation, and you are concerned with his whole cost as far as he can substantiate them as to what his whole cost of operation is, whether it be fuel or wages paid or anything that goes into the general business setup of cost of operation in conducting a business?

MR. CRAEMER. All of them, including loss and damage.

ASSEMBLYMAN FIELD: As a matter of fact, your commission doesn't care if he uses diesel, ethyl gasoline, or third structure gasoline, does it?

MR CRAEMER: We take the total cost of it.

ASSEMBLYMAN M. PHILIP DAVIS: As I understand it, there are three types of carriers that are regulated by the Railroad Commission.

MR. CRAEMER: That is right. There are really four types.

ASSEMBLYMAN M. PHILIP DAVIS: There is the common carrier?

MR. CRAEMER: That is correct.

ASSEMBLYMAN M PHILIP DAVIS: Then there is the regular contract carrier and the city carrier. Now, have you made a breakdown of the profit and loss, let's say, for the over-all picture of the common carrier say for the year 1945?

MR. CRAEMER: Those are the statistics I offered in the first instance. I tried to show how each group, what its operating ratio was. The common carriers were broken down into general freight, agricultural commodities, livestock, household goods, and other commodities, and the range of those runs from an operating ratio of 85.04 to a high of 102.21. It depends on what you are hauling, and the average was 100.12.

ASSEMBLYMAN M PHILIP DAVIS. I wonder if we could have a breakdown further, if you have it there, as to the amount of business done. Have you broken it down, for example, of a carrier doing $10,000 or less per year of business?

MR. CRAEMER: These carriers that I have addressed myself to here are those that are over $100,000 We have taken the larger ones.

ASSEMBLYMAN M PHILIP DAVIS: Could you give us a picture of the number of common carriers in the loss column?

MR. CRAEMER: No, I can't give you a breakdown on that.

ASSEMBLYMAN M. PHILIP DAVIS: Well, would it be possible that one carrier or one or two carriers would sustain a very substantial loss, and that the other carriers might have a fair return on their money?

MR. CRAEMER: That is right. Some carriers that are operating in a field that is not very competitive will show a return.

ASSEMBLYMAN M. PHILIP DAVIS: Now, in figuring the rates you have, of course, taken into consideration the 3 percent gross receipts tax that the carrier has to pay to the State?

MR. CRAEMER: That is in rate making, yes.

ASSEMBLYMAN M. PHILIP DAVIS: Now, if we should eliminate the 3 percent gross receipts tax, have you given any consideration to the tremendous increase in profit which would result to the common carrier?

MR. CRAEMER: You are getting me off into the $64 question.

ASSEMBLYMAN M. PHILIP DAVIS: I realize, Mr. Craemer, that it is probably a little unfair.

MR. CRAEMER: We are a semi-judicial body. Our decisions are made on the findings that result from a record.

ASSEMBLYMAN M. PHILIP DAVIS: That is correct. I realize that.

MR. CRAEMER: And we don't even admit in a record the conjectural of a potential wage increase when we are addressing ourselves to rate cases. I think the law limits us.

ASSEMBLYMAN M. PHILIP DAVIS: Well, you can visualize, I assume, a very rapid, almost kaleidoscopic change in position where a 3 percent gross receipt tax is given back to the carriers as against a net loss of profit, can't you?

MR. CRAEMER: I'd have to know and have to study what the status was. I can't answer you

ASSEMBLYMAN M PHILIP DAVIS: Let's assume there is no substitute. It is eliminated, the complete 3 percent gross receipts tax and there is no substitute. Then what would be your statement if you could make such a statement on profit?

ASSEMBLYMAN FIELD: Mr. Chairman, I wish to submit that the Railroad Commission or the Utilities Commission has nothing to do with the administration of the 3 percent. If you want that question answered, bring it to the Board of Equalization.

ASSEMBLYMAN M. PHILIP DAVIS: I don't want it answered by you, Mr. Field. I want Mr. Craemer to answer it.

MR. CRAEMER: Let me answer it this way. There are other elements than the 3 percent that go into the cost of operation. The highway carriers since coming under the commission's jurisdiction in 1946 have done a volume of business in excess, slightly in excess of $200,000,000.

ASSEMBLYMAN M. PHILIP DAVIS: As a matter of fact, the biggest year they have had in California * * *

MR. CRAEMER: Let me finish. That $200,000,000 includes city drayage, and I understand in our rate making we know city drayage is not subjected to the 3 percent tax. I haven't a breakdown of what percent of volume of the revenue comes from those carriers, and so I would have to guess just as you would what the end result would be.

ASSEMBLYMAN M. PHILIP DAVIS: All right. Now, as I understand it, Mr. Craemer, there have been, and correct me if I'm in error, there was a rate increase of 12 percent in June of 1946.

MR. CRAEMER: That is right. That is a general increase.

ASSEMBLYMAN M. PHLIP DAVIS: That is a general over-all raise?

MR. CRAEMER: That is right.

ASSEMBLYMAN M. PHILIP DAVIS: That is under common carriers?

MR. CRAEMER: That is all carriers. Let me be fair, all except livestock and petroleum and a few of those that have special tariffs.

ASSEMBLYMAN M. PHILIP DAVIS: Yes. Now, did I understand you to say, or did I get the information erroneously from some other source, that there was also an increase in December of 1946?

MR. CRAEMER: There was an increase—the hearing was held in December and submitted, and the order was issued, and it is effective on March 31st, this week, of 12½—12 percent on weights up to 20,000 pounds, 8 percent over 20,000 pounds, and a 3 cents 100 pounds arbitrary on any quantity up to 2,000 pounds.

ASSEMBLYMAN M. PHILIP DAVIS: Now, did the figures that you gave us for 1946 reflect the increase in profit or the increase in rates from the June 1946 period?

MR. CRAEMER: They reflected up to December 31st. That is the period of our study.

ASSEMBLYMAN M. PHILIP DAVIS: So that it would reflect only a half year at increased rates?

MR. CRAEMER: That would be right.

ASSEMBLYMAN M. PHILIP DAVIS: And in June of 1946, you felt that the 12 percent increase was adequate to take care of a fair return to the carriers as of that date?

MR. CRAEMER: That is right.

ASSEMBLYMAN M. PHILIP DAVIS: Yes. So that we have no figures as to what their position would have been for the year 1946 if the rate increase had been retroactive or if it could have been projected back to January 1st?

MR. CRAEMER: That is right.

ASSEMBLYMAN M. PHILIP DAVIS: So that it could have probably been the difference between the six month period would make the difference in most cases there of a profit or loss since the variation is comparatively small. Do you understand my question?

MR. CRAEMER: That could be true. Let me make this comment on the 1946 increase. The 1946 increase was sort of a rather hurry up hearing to take care of their needs until the complete record could have been made.

ASSEMBLYMAN M. PHILIP DAVIS: I see.

MR. CRAEMER: And the increase now effective comes from a final record. It is a continuation of the old application as I remember. It is the same case.

ASSEMBLYMAN M. PHILIP DAVIS: So your final decision now is that taking into consideration, the fact that they pay a 3 percent gross receipts tax and all the other obligations which would necessarily be charged to operating costs and so on against the common carrier, that this additional return will be adequate to pay all those and give him a fair return on his money. That is your best judgment, isn't it?

MR. CRAEMER: The common carrier and those permitted carriers that engage in general commodities.

ASSEMBLYMAN M. PHILIP DAVIS: All right. Now then, that then includes your 3 percent gross receipts tax?

MR. CRAEMER: Oh, yes. Yes, it does.

ASSEMBLYMAN M. PHILIP DAVIS: Now, let's get to the radial common carrier, if we might.

MR. CRAEMER: The radial common carrier operates under the same rates that the contract carrier operates under, and I think I stated earlier they use the commission's tariff as a minimum. The rates in the State of California under the act have all been established on a minimum basis. These raises we have granted apply themselves to those minimums. Now, if a shipper wants to pay more for a service and the carrier wants to refuse it, and the contract carrier in his business, he can do so.

ASSEMBLYMAN M. PHILIP DAVIS: That applies to the radial common carrier?

MR. CRAEMER: The radial common carrier has similar obligations. He can get more than the minimum, however. He isn't restricted like a common carrier to a final tariff.

ASSEMBLYMAN M. PHILIP DAVIS: In other words, the radial common carrier has the opportunity of going in and skimming off the cream of the business if he can get the business.

MR. CRAEMER: He can elect to go into some other kind of operation. Most of those carriers hold both a contract and a radial permit. We find whenever the radial permit gets to be burdensome, a burdensome operation, they find other commodities.

ASSEMBLYMAN M. PHILIP DAVIS: Some other source of income?

MR. CRAEMER: Some other character of transportation.

ASSEMBLYMAN M. PHILIP DAVIS: Would I be in error in surmising that most of your releases from your certificates, or the turnover is in your radial common carrier and in your contract common carrier?

MR. CRAEMER: That is correct. Those permitted carriers are where the turnovers are. I hope I made that clear. We have only 400 common carriers and they are pretty fixed.

ASSEMBLYMAN M. PHILIP DAVIS: Actually the problem of turnover is not in your common carrier at all, but it is even, we might say, it is the fly-by-night operation where a man has maybe one truck and comes in and becomes a permitted carrier by paying his $3 and you issue the permit. So that all that turnover is actually in your marginal operation of a person coming in and then determining he wants to get in something else because he is not making a profit?

MR. CRAEMER: It is fair to say that in the permitted carriers the substantial percent that go out of business in the first year are found.

ASSEMBLYMAN M. PHILIP DAVIS: Of course, you have not had opportunity to analyze the turnover in regular business as against your transportation activities, have you?

MR. CRAEMER: We have got plenty of headaches.

ASSEMBLYMAN M. PHILIP DAVIS: That is right. So that if the percent were about equal in regular business going out of business the first year, the position would be rather parallel, wouldn't it?

MR. CRAEMER: That is right.

ASSEMBLYMAN M. PHILIP DAVIS: Now, let's assume, if we might, Mr. Craemer, that this Legislature, in its sound judgment should determine to eliminate the 3 percent gross receipts tax, would that of necessity require a complete redetermination of the whole carrier rate problem in California?

MR. CRAEMER: I think that is a pretty involved question for a man that is here only speaking as one member of a five man commission to answer. I can only say this to you. If the carrier finds himself in distress he will have to come to us, and we will have to listen to his story and weigh it and make a determination. I certainly couldn't stand here and prejudge.

ASSEMBLYMAN M. PHILIP DAVIS: And by the same token, if the 3 percent gross receipts tax would give a return, let us say, to carriers of 30 or 40 percent or 15 or 20 percent on their investment, it wouldn't take the Railroad Commission long to readjust it, would it?

MR. CRAEMER: It shouldn't.

ASSEMBLYMAN M. PHILIP DAVIS: Thank you very much.

(At this time a motion was made by Assemblyman Randal F. Dickey and seconded by Assemblyman Ralph Dills that the Assembly arise from a Committee of the Whole until the hour of 2 p.m., at which time the questioning of Mr. Craemer and Mr. Brown would continue.)

Wednesday, April 2, 1947, 2.15 p.m.

CHAIRMAN SAM L. COLLINS: The Committee of the Whole will come to order.

ASSEMBLYMAN SHERWIN: May I ask Mr. Brown a few questions? Mr. Brown, we have spent most of the time this morning in discussing the question of common carriers upon whose charges the commission fixes the ceiling. About what percentage of the trucking business is done by these common carriers?

MR. BROWN: Are you talking about the fixed termini carriers operating between fixed termini over a direct route?

ASSEMBLYMAN SHERWIN: That is right.

MR. BROWN: Twenty or 25 percent.

ASSEMBLYMAN SHERWIN: And that is the only group that has a ceiling fixed on its charges, is it not?

MR. BROWN: Yes.

ASSEMBLYMAN SHERWIN: And the other groups charge as much as —we'll say—the traffic will bear?

MR. BROWN: That is true. During the war that was particularly true. However, we find that they are getting back into a competitive market and the minimum rates are tending to become the going rates.

ASSEMBLYMAN SHERWIN: And the contracts that are normally fixed by these contract carriers, can you give me some information as to the custom of the business as to what length of period these contracts usually cover?

MR. BROWN: Well, they vary. Usually a year and a period with a 30-day cancellation clause.

ASSEMBLYMAN SHERWIN: So that either party can give 30 days' notice to cancel the contract?

MR. BROWN: That is right.

ASSEMBLYMAN SHERWIN: Now, this question of shortage of trucks that has limited the competition in the past, you say that is gradually disappearing at the present time?

MR. BROWN: Well, they are beginning to get delivery of trucks. They have many hundreds of trucks on order that they haven't been able to get delivery on, but the situation is easing somewhat.

ASSEMBLYMAN SHERWIN: In other words, there is more business than the volume of trucks would permit them to take care of, is that right?

MR. BROWN: Well, that would depend upon the season of the year.

ASSEMBLYMAN SHERWIN: Now, the commission's rules and the various factors that are taken into consideration in determining the ceiling prices to be allowed common carriers, do those include actual changes in the law that are enacted as differentiated from those that are merely contemplated? What I'm getting at, suppose the Legislature passes a new tax law that affects the common carrier to take effect on the first of September, and the commission has a hearing during the month of August, would it be under its rule permitted to take into consideration the change that is going to go into effect because the law is already passed on the first of September?

MR. BROWN: Yes, I'd say so.

ASSEMBLYMAN SHERWIN: And as a matter of fact it also takes into consideration, as I understand it, contracts with labor unions to go into effect at a specified date?

MR. BROWN: Not until they go into effect. It has been the policy of the commission to wait until the contracts are actually in effect.

ASSEMBLYMAN SHERWIN: Now, with respect to the question of transportation busses. They are common carriers?

MR. BROWN: Yes.

ASSEMBLYMAN SHERWIN: And they have monopolies in that their routes are fixed and they have no competition except as to another common carrier having the same route, is that correct?

MR. BROWN: Well, I don't think you could classify any common carrier in the State of California as having a monopoly. They all have competition.

ASSEMBLYMAN SHERWIN: But, in any event, the number of competitors is limited by the permits issued by the Utility Commission?

MR. BROWN: That is right.

ASSEMBLYMAN SHERWIN: And you spoke about these various common carriers that were having difficulty because of their ratio, operating ratio, their operation being in excess of 100%, what can you say in regard to the bus companies in this particular connection?

MR. BROWN: Well, if you are talking about the over the road busses * * *

ASSEMBLYMAN SHERWIN: That is right, the ones traveling between different cities.

MR. BROWN: We haven't received any application from any of the bus companies operating intercity, but with the exception of one, and that is the Gibson Lines, but we have been informed that applications will shortly be filed.

ASSEMBLYMAN SHERWIN: And then by the time those applications can be acted upon we would expect that this Legislature would already have enacted its tax laws during the present session, is that right?

MR. BROWN: Well, I presume so, yes.

ASSEMBLYMAN SHERWIN: Very well

ASSEMBLYMAN STEPHENSON: I would like to inquire of one of the gentlemen, probably Mr. Craemer—I've been wondering in this discussion on your setting of rates and where the shippers are also heard at the hearing, the testimony is taken from both sides, would it be your policy to more or less fix your rates so that a reasonable return or at least the operating cost might be maintained by the truckers?

MR. CRAEMER: Yes, sir.

ASSEMBLYMAN STEPHENSON: Well, then, following that reasoning a little further, it would be true then that the shippers, be they farmers or industrialists, in having their rates raised would be paying this additional cost themselves, rather than having it taken out of the truckers pocket.

MR. CRAEMER: That is where it finally comes from.

ASSEMBLYMAN STEPHENSON: That's why I'm wondering when we are debating this bill a little while longer if we are looking at it from the straight across the board viewpoint that we should be in claiming the ultimate consumer is the one that is paying these additional charges rather than the truckers themselves that some of the members are trying to protect. That would be the case, wouldn't it?

MR. CRAEMER: Well, I think we have testified several times that the rates are fixed on the record that is made, and all costs that go into the record that sustain the operator's contention that it is an operating cost, must have consideration when you finally fix the rates.

ASSEMBLYMAN STEPHENSON: Thank you.

CHAIRMAN SAM L. COLLINS: Mr. Wollenberg.

ASSEMBLYMAN WOLLENBERG: Mr. Speaker, and members of the committee, before starting I have here a chart of statistical data from the Franchise Tax Commissioner's office relative to returns on the Bank and Corporation Franchise Tax Highway Transportation from all users that are incorporated and also a statement from the statistical division on the personal income tax of highway transportation operators, and I would like first to offer this and ask that it go into the record, copied just as

it is for the purposes of the record, and then I would question the witnesses in reference to it.

(The above referred to documents appear as follows:)

STATE OF CALIFORNIA
Chas. J. McColgan
Franchise Tax Commissioner

Statistical Division
4/2/47

BANK AND CORPORATION FRANCHISE TAX
Highway Transportation
Net Income and Net Loss From Transportation Operations
Distributed by Size of Income or Loss
1945 Income Year

Net Income Brackets (Based on Income from Transportation only)	*Net Income Returns*					
	Trucking		*Bus Lines*		*Totals*	
	No.	*Net Inc.*	*No.*	*Net Inc.*	*No.*	*Net Income*
Under $10,000	22	$89,576	6	$38,930	28	$128,506
10,000 under 20,000	5	68,571	3	35,642	8	104,213
20,000 under 30,000	3	68,871	1	27,254	4	96,125
30,000 under 40,000	1	32,260	-	-------	1	32,260
40,000 under 50,000	1	43,363	1	47,831	2	91,194
50,000 under 60,000	-	-------	-	-------	-	-------
60,000 under 70,000	1	60,547	2	131,160	3	191,707
70,000 under 80,000	-	-------	-	-------	-	-------
80,000 under 90,000	-	-------	2	172,845	2	172,845
90,000 under 100,000	-	-------	-	-------	-	-------
100,000 under 200,000	-	-------	3	405,902	3	405,902
200,000 under 500,000	2	645,897	4	985,882	6	1,631,779
500,000 under 750,000	-	-------	-	-------	-	-------
750,000 under 1,000,000	1	754,983	-	-------	1	754,983
1,000,000 and over	-	-------	1	13,379,419	1	13,379,419
Totals	36	$1,764,068	23	$15,224,865	59	$16,988,933

Net Loss Brackets (Based on Loss From Transportation only)	*Net Loss Returns*					
	Trucking		*Bus Lines*		*Totals*	
	No.	*Net Loss*	*No.*	*Net Loss*	*No.*	*Net Loss*
Under $10,000	13	$47,609	2	$2,251	15	$49,860
$10,000 under $20,000	4	50,621	1	11,579	5	62,200
20,000 under 30,000	3	74,232	1	22,552	4	96,784
30,000 under 40,000	1	30,564	-	-------	1	30,564
40,000 under 50,000	3	129,247	-	-------	3	129,247
50,000 under 60,000	-	-------	-	-------	-	-------
60,000 under 70,000	-	-------	-	-------	-	-------
70,000 under 80,000	2	154,807	-	-------	2	154,807
80,000 under 90,000	-	-------	-	-------	-	-------
90,000 under 100,000	-	-------	-	-------	-	-------
100,000 under 200,000	-	-------	-	-------	-	-------
200,000 under 500,000	2	404,842	-	-------	2	404,842
500,000 under 750,000	-	-------	-	-------	-	-------
750,000 under 1,000,000	-	-------	-	-------	-	-------
1,000,000 and over	-	-------	-	-------	-	-------
Totals	28	$891,922	4	$36,382	32	$928,304

STATE OF CALIFORNIA 4/1/47
Chas. J. McColgan
Franchise Tax Commissioner
PERSONAL INCOME TAX
Net Income from Transportation
Distributed by Income Class
1945 Income Year

Net Income Brackets (Based on Transportation Income)	*No.*	*Busses Income*	*No.*	*Trucks Income*	*No.*	*Total Income*
Under $10,000	13	$63,200	50	$245,300	63	$308,500
$10,000 under $20,000	10	147,600	15	206,200	25	353,800
20,000 under 30,000	1	28,500	15	374,300	16	402,800
30,000 under 40,000	1	37,100	5	174,300	6	211,400
40,000 under 50,000	2	85,700	3	132,200	5	217,900
50,000 under 60,000	-	-------	1	57,100	1	57,100
60,000 under 70,000	-	-------	1	68,600	1	68,600
70,000 under 80,000	1	72,300	-	-------	1	72,300
80,000 under 90,000	-	-------	-	-------	-	-------
90,000 under 100,000	-	-------	-	-------	-	-------
100,000 and over	2	213,300	4	618,000	6	831,300
Total Income	30	$647,700	94	$1,876,000	124	$2,523,700
Losses						
Under $10,000	2	-4,000	5	-5,050	7	-9,050
$10,000 under 20,000	-	-------	2	-30,300	2	-30,300
20,000 under 30,000	-	-------	1	-27,500	1	-27,500
30,000 under 40,000	-	-------	1	-30,400	1	-30,400
Total Losses	2	-$4,000	9	-$93,250	11	-$97,250
Total Net Income	32	$643,700	103	$1,782,750	135	$2,426,450

* Classified by R. R. Commission as "Auto Stage and Truck Companies."

ASSEMBLYMAN WOLLENBERG: Mr. Craemer, I think you have clearly testified to this this morning, but isn't it a fact that your interest and your information in reference to all certificated carriers in the four classes of carriers that you told us exists, is primarily to fix rates so that they may operate and as you explained to someone's question, I think Mr. Field's, this morning that they may operate and get a return on their investment?

MR. CRAEMER: That is right.

ASSEMBLYMAN WOLLENBERG: And a fair return on their investment?

MR. CRAEMER: That is right.

ASSEMBLYMAN WOLLENBERG: Now, in fixing those rates in order that a fair return may be had on the investment, some classes of operators are under the direct supervision in reference to the fixing of rates of your commission. In other words, you fix a maximum rate which they may not exceed, is that right?

MR. CRAEMER: For common carriers we fix a maximum and for the permitted carriers we have a ceiling as a minimum.

ASSEMBLYMAN WOLLENBERG: Now, you have one class of common and the other three are permitted carriers, is that right?

MR. CRAEMER: That is right.

ASSEMBLYMAN WOLLENBERG: And that is just a minimum, and the competition in public generally fixes the ceiling, doesn't it?

MR. CRAEMER: That is right.

ASSEMBLYMAN WOLLENBERG: In other words, these so-called city carriers or contract haulers and so forth bid one against the other over a minimum that is fixed by you, is that right, for work?

MR. CRAEMER: Well, I can't say that they bid exactly. They certainly have the right to reject any tender of cargo if they don't like the rate.

ASSEMBLYMAN WOLLENBERG: And a shipper has the right to call anyone to get two or three rates if he wants to?

MR. CRAEMER: That is right.

ASSEMBLYMAN WOLLENBERG: There is no one line running between two points with a set rate, is that right?

MR. CRAEMER: Not on contract carriers. Radial, common carriers, and highway are * * *

ASSEMBLYMAN WOLLENBERG: The three of them have open operations.

MR. CRAEMER: The radial and contract haulers * * *

ASSEMBLYMAN WOLLENBERG: And your so-called city drayage man, they are open operations.

MR. CRAEMER: Within the city.

ASSEMBLYMAN WOLLENBERG: Now, is there such a thing as a minimum rate under which people can bid for to go under the fixed minimum rate, or is that a minimum rate that is finally set as a minimum under which they cannot go?

MR. CRAEMER: Well, as I understand it, the Act of 1935, it was designed to bring some stability into the industry, and it was the commission's first job to fix a minimum below which you could not go. The purpose of that is to stop the cutthroat competition that was then in existence.

ASSEMBLYMAN WOLLENBERG: So, well, is that illegal or unlawful?

MR. CRAEMER: If we find the carrier using a rate lower than a minimum rate, we immediately start a penalty suit against him.

ASSEMBLYMAN WOLLENBERG: In other words, that is unlawful?

MR. CRAEMER: It is an unlawful operation. Let me say this, Mr. Wollenberg, Section 11 of the act permits him, however, if he wants to haul for a lesser rate to come to the commission and make a showing and secure authority upon showing. That is where you have a specialized operation, where a man can enter into a contract.

ASSEMBLYMAN WOLLENBERG: Are there many of those who operate who come in on a petition?

MR. CRAEMER: Many is a term when you apply it to 1,600.

ASSEMBLYMAN WOLLENBERG: You have some.

MR. CRAEMER: Comparatively few.

ASSEMBLYMAN WOLLENBERG: Now, I have here some figures. I showed them to you earlier today, Mr. Craemer, from the Bank and Corporation Franchise Tax on Highway Transportation as a whole broken down in the various brackets, which indicate that in the transportation operations, and this is only in reference to transportation operations that are on record over at the Franchise Tax Commissioner's office. It takes all of them that are on record there showing that out of 91 who are incorporated carriers, 59 of them, of the incorporated carriers showed a net income—now a net income is for income tax purposes after all possible deductions of taxes and other operations—of $16,988,933 for

the year 1945; whereas 32 corporations returned to our transportation business a loss of $928,304.

From your knowledge of this type of operation, and by the way on the first income tax, I'm going to give you all the figures at once—124 operators who are unincorporated, who operate either as individuals or a copartnership, something like that. One hundred twenty-four of them showed a net income, or net profit for tax purposes of $2,523,700; whereas 11 operators have a loss of $97,250 during that same period.

From your knowledge of these operations, these particular people being apparently all common carriers involved here, is that about the case in California in regard to the return of operators, common carriers on the highway, do you know?

MR. CRAEMER: I can't answer it specifically, Mr. Wollenberg, and I'll tell you why. Some of those carriers have interstate operations, and we have no information as to the fact whether they are profitable or unprofitable operations. It is entirely possible that some of those carriers may have a profitable interstate operation, and an unprofitable intrastate operation, or vice versa. I would have to see the individual carriers to make a definite statement whether that is absolutely in balance. I know some of them make money, and some of them have other businesses that are involved in it.

ASSEMBLYMAN WOLLENBERG: Well, this is only on the transportation business, only on the highway end of it.

MR. CRAEMER: Then, the only question that arises is to determine whether they are purely intrastate or combined interstate and intrastate, or interstate operators.

ASSEMBLYMAN WOLLENBERG: So that actually your feeling then is that you are only interested for rate purposes in the intrastate business, that which is within the borders of California?

MR. CRAEMER: That is our only jurisdiction.

ASSEMBLYMAN WOLLENBERG: And therefore, the common carrier who happened to be hauling over the state line, you can't fix those rates, or you have nothing to do with them?

MR. CRAEMER: That is right.

ASSEMBLYMAN WOLLENBERG: So you don't look into that business. All you look into is his operations within the borders of the State, so that it would be perfectly possible then that over his entire trucking operation, he might show as these carriers did show a net income, 59 of them, for corporate purposes of practically $17,000,000, and 124 individuals or partnerships showed an income of $2,500,000—that is almost, well, it is probably a little over nineteen million dollars in profits as against about one million dollars in losses for tax purposes of these operators. That is perfectly possible that that is a true statement of that income because you don't go into the same thing that the people for income tax purposes in the income division in the State of California would go into, is that right?

MR. CRAEMER: That is right.

ASSEMBLYMAN WOLLENBERG: So there are operations that on the whole may be and may indicate that there is a net income and there is a profit in the operation, is that right?

MR. CRAEMER: The entire State—let me say this to help the record—makes the rates on interstate operations, and it is entirely possible as I

said before there could be profits on both sides of it, and whether the average of those is representative of what intrastate would look like, I can't tell you unless I have the names of the carriers. I could tell you if I had the names of the carriers.

ASSEMBLYMAN WOLLENBERG: Under the law we are not permitted, or any Member of the Legislature, to see the names of the carriers. We can only get statistics from the Franchise Tax Commission. Were you ever at one time connected with the Division of Highways in the State of California?

MR. CRAEMER: That is the $64 question. Yes, I'm afraid I'm guilty. I was Assistant Director of Public Works

ASSEMBLYMAN WOLLENBERG: You were Assistant Director of Public Works of the State of California at one time?

MR. CRAEMER: That is right.

ASSEMBLYMAN WOLLENBERG. And did you have an opportunity during that time that you were connected with the Department of Public Works to know something about our highways in California?

MR. CRAEMER: Well, I think I do, yes.

ASSEMBLYMAN WOLLENBERG: And you know something about the general growth and development of the California Highway System, is that right?

MR. CRAEMER: I do, at least during the period I was with the department I did.

ASSEMBLYMAN FIELD: Would Mr Wollenberg yield a question.

ASSEMBLYMAN WOLLENBERG: Yes.

ASSEMBLYMAN FIELD: Would you ascertain when Mr. Craemer was connected with the department?

ASSEMBLYMAN WOLLENBERG: Will you state the time when you were connected with the Department of Public Works?

MR. CRAEMER: I think I came with the department in April, 1934, and stayed until late in 1937

ASSEMBLYMAN WOLLENBERG: Subsequent to the time you went with the Railroad Commission?

MR. CRAEMER: I went with the Railroad Commission in 1939.

ASSEMBLYMAN WOLLENBERG: From that time on you have had naturally as a member of the Railroad Commission and the present Public Utilities Commission, which is a continuation of the Railroad Commission, you had had an opportunity to watch the trucking industry in its operation of trucks on the highways and so forth?

MR. CRAEMER: Yes.

ASSEMBLYMAN WOLLENBERG: Now, have you any ideas that you would care to express or would express on the relationship of good highways to the operating costs of highway transportation?

ASSEMBLYMAN FIELD: Now, Mr. Speaker, I'm going to object to that question because he is here to give us the operating ratio and the facts as a member of the Public Utilities Commission, and so far as the regulation of all for-hire trucks, and has nothing to do about the passage of this bill so far as he is concerned.

ASSEMBLYMAN WOLLENBERG: Mr. Speaker, I'm surprised at Mr. Field. Here we have a competent man, who I think there is no question about his qualifications, and if he can't be asked from his observation as

a public official practically since 1934 to date with the exception of perhaps a short year of interruptions, something to do with the highways and truck operations, if he can't be asked a simple question as to what in his opinion has good roads to do with the highway operations and the operations of trucks and vehicles on the highway, why I'm quite shocked and surprised that we should try to cut off, to eliminate the testimony of anyone as evidently qualified as Mr. Craemer.

ASSEMBLYMAN JAMES: I rise to a point of order. The question is not relevant.

CHAIRMAN SAM L. COLLINS: We are not bound by the rules of evidence. I think the foundation has been sufficiently laid to qualify Mr. Craemer. You can determine in your own mind the relevancy.

ASSEMBLYMAN WOLLENBERG: They can give whatever weight they wish to the testimony.

ASSEMBLYMAN FIELD: I don't question his competency.

MR. CRAEMER: Naturally, good highways are an aid to transportation. I don't care whether it is private or public transportation.

ASSEMBLYMAN WOLLENBERG: Do you think there is any relationship between good highways and operating costs of transportation companies over those highways?

MR. CRAEMER: Well, certainly, good highways are an aid to expediting transportation.

ASSEMBLYMAN WOLLENBERG: Then you do think there is some relationship?

MR. CRAEMER: There must be some.

ASSEMBLYMAN WOLLENBERG: Would you indicate what you feel that might amount to? As far as good highways and costs of operation are concerned?

ASSEMBLYMAN FIELD: Shouldn't he define "good highways" first?

CHAIRMAN SAM L. COLLINS: Let's let the witness testify. We are anxious to get the benefit of his views.

MR. CRAEMER: I find myself in a rather unfortunate position.

ASSEMBLYMAN WOLLENBERG: Just for the witness' peace of mind in this matter, I'm not asking for four men's opinion, I'm asking Mr. Craemer what his is.

MR. CRAEMER: Well, of course, Mr. Wollenberg, I would have to say that good highways do aid transportation, and if they aid transportation, they are going to have some effect on the cost of transportation.

ASSEMBLYMAN WOLLENBERG: Now, in fixing rates, Mr. Craemer, those statements that come before you, items of repair, maintenance of trucks, is that one of the things that you allow as a cost of operation?

MR. CRAEMER: Why certainly.

ASSEMBLYMAN WOLLENBERG: And do you feel that the condition of a highway may have something to do with that particular item that enters into rate fixing?

MR. CRAEMER: It has something to do with the operation of the trucks certainly.

ASSEMBLYMAN WOLLENBERG: You feel then definitely that there is a relationship between good highways and the cost of operating a vehicle over the roads?

MR. CRAEMER: I'd say that good highways are an aid to the cost of operation.

ASSEMBLYMAN WOLLENBERG: Now, Mr. Craemer, as a matter of fact, you said something very definitely at one time on this subject, didn't you, when you were connected with the California Highway Department? To refresh your recollection, if I may, I'll give you a copy of the magazine, California Highways and Public Works, month of April, 1937, and ask you if you will look under the cover and see if you didn't write an article that bears your picture on the title page, "New Era in Design and Construction of Highways," by Justus F. Craemer, Assistant Director of the Department of Public Works, for that issue, is that correct?

MR. CRAEMER: I'm afraid that is right.

ASSEMBLYMAN WOLLENBERG: And I don't think you have to apologize for that article today, do you?

MR. CRAEMER: I'm not pretending to.

ASSEMBLYMAN GANNON: Mr. Craemer has the same right to change his opinion as you did on social medicine.

ASSEMBLYMAN WOLLENBERG: Mr. Craemer has all the rights and privileges that I have, Mr. Gannon, at all times. I will ask Mr. Cramer if he recalls this article and if he has changed his opinion any.

CHAIRMAN SAM L. COLLINS: Just a minute, Mr. Wollenberg, let's accord this witness at least the common courtesy so he may testify, and when the rest of you desire to testify, you will be given an opportunity. So let's have testimony one at a time. Now, Mr. Wollenberg, proceed.

ASSEMBLYMAN WOLLENBERG: The last question was whether Mr. Craemer has changed his opinion in any way since he wrote this article. I think we better know that first. I appreciate the fact that Mr. Craemer would like to make a definite statement as to whether he has or hasn't changed his opinion.

MR. CRAEMER: It would be pretty hard for me to run out on my article of 1937 in which naturally I was an advocate of good highways. I don't know why I should change my mind with respect to a statement of that kind.

ASSEMBLYMAN WOLLENBERG: You still believe that the utilitarian and economic value of modern highways is firmly established as you said here today, is that right?

MR. CRAEMER: Certainly.

ASSEMBLYMAN WOLLENBERG: And you haven't in any way, nor do you feel any differently today in reference to the importance of adequate and proper highways in the State of California than you did in April of 1937, do you?

MR. CRAEMER: Proper good highways are a good thing for the State.

ASSEMBLYMAN GEDDES: I would like to ask Mr. Wollenberg a question. Mr. Wollenberg, to save time in this Assembly would you like to stipulate that no witness at any time in any of the hearings before this Assembly has testified that we don't need good highways, and let it go at that?

ASSEMBLYMAN WOLLENBERG: I may have missed one of your witnesses, Mr. Geddes, so I can't stipulate to that.

ASSEMBLYMAN FIELD: May I interrupt a moment to ask Mr. Craemer a question, Mr. Wollenberg?

ASSEMBLYMAN WOLLENBERG: Yes.

ASSEMBLYMAN FIELD: Since the time you wrote that article, Mr. Craemer, which I agree with, in your opinion, personal opinion, has there been any improvement to our highways in the State of California?

MR. CRAEMER: Certainly there has been improvement since 1935 and 1936.

ASSEMBLYMAN WOLLENBERG: I have nothing further.

ASSEMBLYMAN CLAYTON A. DILLS: I have just two or three simple questions here that I think are pertinent to this trucking group. Mr. Craemer, does the commission have any control over the salaries of officers of the trucking groups?

MR. CRAEMER: I can tell you this that we have disallowed certain percents of a salary when we thought in their operating statement they were beyond a reasonable salary in computing their operating costs.

ASSEMBLYMAN CLAYTON A. DILLS: Well, do you have figures that you could give us?

MR. CRAEMER: I think if anyone wants to take the trouble to read over the records on some of the cases that have been made, I think you will find questioning in those cases that will answer the question that the particular carriers in which that question was raised. To say from memory that I could tell you what they were, who they were, or how much they were, I wouldn't attempt that.

ASSEMBLYMAN CLAYTON A. DILLS: I asked the question because it might have some bearing on why trucking groups are losing money or maybe going broke. In the different types or groups, do the salaries vary, in the different types of trucking in the trucking industry?

MR. CRAEMER: Naturally they vary when you consider the size of the operation, and the responsibility of the managing head, and we try to weigh it with the best of our judgment to determine whether the items with a salary for any particular officer is in keeping with the scope of a reasonable salary for the kind of a job that is in his lap.

ASSEMBLYMAN CLAYTON A. DILLS: Well, do you have any control over the salaries of an individual, that is, of a public relations man for trucking groups?

MR. CRAEMER: I don't even know of any company that happens to have one to my knowledge, but if we thought it was unreasonable, we would disallow it in making the rates. We can't keep them from paying it, but we can disallow it in making rates.

ASSEMBLYMAN CLAYTON A. DILLS: If they should have a public relations man, you would have control over the salaries they pay these men and expenses?

MR. CRAEMER: We can't tell them they can't pay, but we can disallow it in arriving at an operating cost for a particular utility.

ASSEMBLYMAN CLAYTON A. DILLS: But, you would have some control over it, then?

MR CRAEMER: In what percent is allowed. Let's have that understood. We can't tell them they will have to pay him less. We can only say that we can only allow a certain amount of that salary in addressing ourselves to the volume of the operating statement.

CHAIRMAN SAM L. COLLINS: Mr. Field.

ASSEMBLYMAN FIELD: Mr. Speaker, may I direct a question to Mr. Wollenberg? Those figures that you received from the Franchise Tax Commissioner, for what year were they?

ASSEMBLYMAN WOLLENBERG: For the year 1945.

ASSEMBLYMAN FIELD: Why didn't you get the 1946 figures?

ASSEMBLYMAN WOLLENBERG: They are just being filed now.

ASSEMBLYMAN FIELD: They didn't have them?

ASSEMBLYMAN WOLLENBERG: They are due for April 15th.

ASSEMBLYMAN FIELD: So the figures you show with the profit was during a war year when there was no shortage of transportation facilities and there was no competition?

ASSEMBLYMAN WOLLENBERG: No, I'm not going to answer yes or no to that question.

ASSEMBLYMAN FIELD: Well, that is a fact, isn't it?

ASSEMBLYMAN WOLLENBERG: I don't know whether it is or not.

ASSEMBLYMAN FIELD: Well, I'll tell you it is. First, for the purpose of the record, Mr. Craemer, when you speak of the various classifications of truck operators in the State, you are talking about all for-hire trucks, are you not?

MR. CRAEMER: That is right.

ASSEMBLYMAN FIELD: Now, you say you stated, or testified before lunch that on the radial highway common carriers, the city carriers, and the contract carriers, that the Railroad Commission fixes a minimum rate, is that not correct?

MR. CRAEMER: That is correct.

ASSEMBLYMAN FIELD: And a fixed rate on the common carriers?

MR. CRAEMER: That is right, and some, on some portions of the operations, or rather the common carrier—well, it is the common carrier operations of household goods.

ASSEMBLYMAN FIELD: Yes. Now, during the war was it not a fact that those operators, those contract carriers, those radial highway common carriers, and the city carriers, due to the shortage of transportation facilities, were able to get in some instances at least above the minimum rates?

MR. CRAEMER: That is right.

ASSEMBLYMAN FIELD: And prior to the war, since this act came into effect, and as we are getting back into a competitive field, the minimum rate fixed by the Railroad Commission will be the going rate, is that not a fact?

MR. CRAEMER: Well, that is fair to assume if you come back to normal conditions, fixed conditions.

ASSEMBLYMAN FIELD: Certainly on the program we have before us today, a 10 to 14-year program fixing rates to carry out the program, it is a cinch I hope we get back to normal conditions during that course of time. But, if these contract carriers get back into a competitive field, the minimum rate will be the going rate, is that not correct?

MR. CRAEMER: When you get into normal times, that is the experience in the past.

ASSEMBLYMAN FIELD: The only time we haven't been in a competitive field was during the war, isn't that right?

MR. CRAEMER: That is right, but there are some noncompetitive yet.

ASSEMBLYMAN FIELD: What are those, specialty haulers?

MR. CRAEMER: Well, seasonally when the crops move, there is a terrific demand for trucks and they begin to bid against each other to

get the perishables hauled. That was true last year. I don't know whether it will be true this summer and fall or not.

ASSEMBLYMAN FIELD: I think that is all I have, Mr. Chairman.

CHAIRMAN SAM L. COLLINS: Mr. Miller, you are recognized.

ASSEMBLYMAN MILLER: Mr. Craemer, this morning you mentioned when you were talking about adjusting rates within an industry about the great increase in insurance on the vehicles. You mentioned that there had been quite an increase recently.

MR. CRAEMER: There have been some increases.

ASSEMBLYMAN MILLER: Do you have any idea based upon the experience of the additions in cost, approximately the percentage of increase in insurance on the vehicles?

MR. CRAEMER: I wouldn't attempt to make an off'hand statement.

ASSEMBLYMAN MILLER: I think that it's been generally conceded, I think the experience of most of us that own motor vehicles generally know the increase has been at least from 30 percent on up. Now, those increases, regardless of the amount, were created by some condition. Now, in your opinion, what was that condition that created those increases in insurance rates for the vehicles?

MR. CRAEMER: Well, it's obvious they come out of records on traffic experiences.

ASSEMBLYMAN MILLER: And in the contention of the operators, what was the basis for that increase. Was there any one thing mentioned by any of the operators or by any of the insurance people?

MR. CRAEMER: Well the accident ratio has gone up. There's no question about that, and the cost of settlements of claims have gone up.

ASSEMBLYMAN MILLER: Was there any one reason or principal reason given for the increase in accidents or the rate of accidents?

MR. CRAEMER: It is a traffic problem, no question about that.

ASSEMBLYMAN MILLER: Well, I mean—you say it is a result of a traffic problem. Is there any one physical condition that created that traffic condition?

MR. CRAEMER: I think I know what your question is.

ASSEMBLYMAN MILLER: The question is simply this: Has the increase in rates been a reflection of an unsafe driving condition due to the fact that we are in arrears in construction, highway construction?

MR. CRAEMER: Your traffic conditions have been, there is no question about that. That is where you get that.

ASSEMBLYMAN MILLER: Thank you very much.

ASSEMBLYMAN GEDDES: The Legislative Auditor made a statement to the effect that although there are more accidents that the number of accidents is remarkably constant as compared with the total number of miles driven and that it could be shown to be in ratio to the total number of vehicles on the highways.

ASSEMBLYMAN MILLER: I can believe that to be true.

ASSEMBLYMAN GANNON: Mr. Miller, are you aware that the great Keystone State of Pennsylvania has a rate of--and was held up as an example by our good Governor—35 and not 55 miles an hour?

ASSEMBLYMAN MILLER: No, I'm not aware of that, and was not until you just suggested it to be true, and I stipulate what you said is

true. The only situation it seems to me in point is the fact that the insurance rates have gone up, and it is generally understood in the insurance business or industry that that is a result of an increasing accident risk. Now, if it is a question of risk, it doesn't go in proportion to the number of vehicles because if it did, it wouldn't be necessary to increase the rate to pay off on those risks.

CHAIRMAN SAM L. COLLINS: Mr. Cooke.

ASSEMBLYMAN COOKE: Mr. Craemer, I would like to ask one question. To me it seems to be the only thing we want to find out. I know you can only answer as an individual. This is your personal opinion. It is a hypothetical question. If the Legislature in its wisdom sees fit to raise the tax rate on trucks, would that give them just cause to come before your commission and ask for an increase in rates?

MR. CRAEMER: If it affected their ability to earn a fair return, yes.

ASSEMBLYMAN COOKE: Well, do you think from the rates that you have given, in your opinion, do you think that you would give another raise in rates—this is just your opinion here?

MR. CRAEMER: It is prejudging. I think I would be embarrassed if I had to sit on the case if I answered at this time

ASSEMBLYMAN COOKE: That is the thing we want to know here today.

MR. CRAEMER: I think I would be mighty embarrassed if I answered that question.

CHAIRMAN SAM L. COLLINS: Mr. Field, do you desire to interrogate Mr. Miller?

ASSEMBLYMAN FIELD: No. I just want to say this to Mr. Miller, if I might. I'll put it in the form of a question so I won't be out of order. I would like to know if you realize that the truck owner, the truck operator has a contract in this State, every one of them to my knowledge has a contract with the Teamsters Union, and when we want an extra driver or a driver, we call them and they send one out and he is presumed to be a truck driver. Now, the actual record will show that during the war when the various truck operators throughout the State lost their older men to the service and they were replaced with new men, the new men were the ones having the accidents, and not the old-time truck drivers.

ASSEMBLYMAN MILLER: That is very interesting.

CHAIRMAN SAM L. COLLINS: Mr. Davis.

ASSEMBLYMAN M. PHILIP DAVIS: I would like to ask Mr. Craemer one or two more questions, if I might. Mr. Craemer, do you believe that a fair user truck tax is a proper item to be included in cost for determining rates charged by public carriers?

MR CRAEMER: Well, you are asking me to pass on a legislative question. If the Legislature sees fit to impose a tax of that kind, it puts a burden on the carrier in his ability to get a fair return, that is, if it puts a burden on the carrier, then I would say yes. I can't answer categorically yes or no because time will only tell that. I can't tell it.

ASSEMBLYMAN M. PHILIP DAVIS: Well, let me get the reverse of it Do you believe that the tax rate presently charged the carriers has been the determining factor in whether these businesses would or would not continue?

MR. CRAEMER: It can't be the determining factor because you have got to look at the over-all picture. It just couldn't be the determining factor.

ASSEMBLYMAN M. PHILIP DAVIS: In other words, the rate charged is only an incident of operation rather than a determining factor as to whether—as to the cause of this turnover of the businesses during the first year of operation?

MR. CRAEMER: Well, I can only say it is fair to assume that when we make rates, we weigh the element of the tax.

ASSEMBLYMAN M. PHILIP DAVIS: And if the tax were eliminated, then by the same token, you would bear that in mind in fixing the rates?

MR. CRAEMER: We would have to bear every factor in mind and that would be one of them.

ASSEMBLYMAN M. PHILIP DAVIS: Did you make any investigation or analysis of the freight rates and user taxes in the other western states?

MR. CRAEMER: No, I have not.

ASSEMBLYMAN M. PHILIP DAVIS: You don't know then whether California taxes for user taxes are lower or higher than say Oregon, Washington, Nevada, or Arizona?

MR. CRAEMER: No, I do not.

ASSEMBLYMAN M. PHILIP DAVIS: Thank you very much.

CHAIRMAN SAM L. COLLINS: Mr. Collins.

ASSEMBLYMAN GEORGE D. COLLINS: This morning when I was questioning the witness, I yielded the floor although I hadn't completed my questioning, and at this time, Mr. Speaker, I would like to conclude my questioning.

CHAIRMAN SAM L. COLLINS: You made a mistake in yielding the floor.

ASSEMBLYMAN GEORGE D. COLLINS: Mr. Craemer or Mr. Brown, I'm not certain who made the statement, but one of you did, that the transportation industry was in a serious condition in the State of California, is that right?

MR. CRAEMER: Mr. Brown, I think, made that statement.

MR. BROWN: Yes, I made that statement, Mr. Collins, with some qualifications. I said particularly the certificated carriers were in a precarious condition.

ASSEMBLYMAN GEORGE D. COLLINS: Now, when you made that statement, on what facts did you base it?

MR. BROWN: On the facts that we gave you this morning on the operating ratios of our certificated carriers, and I might say also there are some of our permitted carriers that are in a bad financial condition, and I also made the statement before the Subcommittee of Ways and Means that some of the carriers were doing very well.

ASSEMBLYMAN GEORGE D. COLLINS: But, taking the industry as a whole, what would you say was the condition?

MR. BROWN: I'd say it wasn't in a healthy condition.

ASSEMBLYMAN GEORGE D. COLLINS: And now, in reference to the matter of a fair return on the investment, as I understood the statement, it was stated at that time that you were not allowing them a fair return on their investment, but that you were merely nursing them along under the present conditions.

MR. BROWN: I think I made the statement that our present problem was to keep them solvent, and I was speaking then particularly of the certificated carriers.

ASSEMBLYMAN GEORGE D. COLLINS: Now, there is one other point that I would like to take up and that is in reference to the matter of these truckers engaging in other industries and in that way, if they are losing in the trucking industry, they are gaining in another way. What is the situation as far as you know in that respect?

MR. BROWN: Well, some, there is no question, but some corporations, some individuals and some copartnerships are engaged in other businesses, and I know of some that are engaged in the gas station business, others have farms, and others have warehouses.

ASSEMBLYMAN GEORGE D. COLLINS: Well, when they continue in the trucking business, does the trucking business increase that business, the other business?

MR. BROWN: Well, it depends upon what type of other business they are in. Generally speaking, I'd say no.

ASSEMBLYMAN GEORGE D. COLLINS: Generally speaking you would say that that isn't so.

MR BROWN: It may be to some extent—it may attract some business that they wouldn't otherwise get.

ASSEMBLYMAN GEORGE D. COLLINS: Well, for instance, let us take the warehouses, how about that?

MR. BROWN: Well, the warehouses are public utilities, and they have to store for all. Of course, I think, my own personal opinion is that the carrier who owns the warehouse probably attracts more business to that warehouse than the carrier that hasn't any financial connection with it.

ASSEMBLYMAN GEORGE D. COLLINS: Well now, in figuring your rates, would you take that into consideration that he was engaged in both businesses?

MR BROWN: Well, it would depend upon the type of carrier. Now, for instance the household goods carrier, practically all of them have warehouses. We have no jurisdiction over those warehouses, and we have to make a segregation of the expenses and the revenues between the warehouse and the trucking business. That is all the law permits us to do.

ASSEMBLYMAN GEORGE D. COLLINS: Now, I believe that some statement was made as to the matter of accidents and safe driving in reference to trucks especially. You made such a statement at the hearing?

MR BROWN: I was talking about the railroads. We were going to make a general survey of grade crossings throughout the State. That was in connection with the railroads, however.

ASSEMBLYMAN GEORGE D. COLLINS: That didn't have any connection with the trucks?

MR. BROWN: Only incidental insofar as they were involved in accidents.

ASSEMBLYMAN GEORGE D. COLLINS: Now, when you take into consideration the certificated carriers, are not the rates of the others based on the certificated carriers?

MR. BROWN: As of March 31st, they all became the same. Prior to that time, some of the certificated carriers were higher than the permitted carriers. I want to explain further, Mr. Collins, that effective March 31st, the commission granted an increase to all carriers. As I explained this morning it was 12 percent on shipments under 20,000 pounds, 8 percent on shipments over 20,000 pounds, and on quantity rates a 3 percent arbitrary on those that run up to 2,000 pounds, and a

minimum charge of $1. As I further explained this morning, we felt in the judgment of the commission that that would greatly relieve the precarious position of the certificated carriers as well as some of the other carriers.

ASSEMBLYMAN GEORGE D. COLLINS: Well now, if it would relieve them, would you say that at the present time then, in view of the fact of this increase, that they are in a healthy condition?

MR. BROWN: We hope they will be, but only experience can tell. When you consider the fact that over 10,000 articles of commerce move over these carriers at some time or other, it is rather hard to look into the future and crystal gaze and find out the exact results of that, but in our judgment why this will greatly relieve the situation.

ASSEMBLYMAN GEORGE D. COLLINS: Will that allow them to earn more than a reasonable return on their money?

MR. BROWN: Well, if it does, we will reduce the rates.

ASSEMBLYMAN GEORGE D. COLLINS: I see. Now, in reference to the amount of freight carried by these carriers, these trucking carriers, what is the proportion intrastate with that of the railroads and shipping?

MR. BROWN: These are approximate figures. The railroads' revenue from intrastate traffic is about, was about $61,000,000 in 1946. The revenue of the trucks from their intrastate operation during the same period was approximately $217,000,000.

ASSEMBLYMAN GEORGE D. COLLINS: So you would say, what percentage would you judge from that as an expert opinion?

MR. BROWN: You mean percentage of revenue?

ASSEMBLYMAN GEORGE D COLLINS: No, I'm not looking at it from the point of revenue, but from the point of view of the amount of freight moved.

MR. BROWN: We have those statistics, but I haven't them with me. What I gave you is the revenue statistics, and I may say that we haven't—we have a unique situation in California where we find that the trucks are the dominant carriers in California, in this State. Now, that isn't true of the East and the Middle West where they have a vast network of railroads.

ASSEMBLYMAN GEORGE D. COLLINS: Now, would you say that it was correct if I suggest that at your meeting before the Ways and Means Subcommittee you stated that they moved more than twice as much as the ships and the railroads put together?

MR. BROWN: Well, I would revise that because I just had the figures brought up to date, and it is over twice as much.

ASSEMBLYMAN GEORGE D. COLLINS: It is over twice as much at the present time?

MR. BROWN: Yes.

ASSEMBLYMAN GEORGE D. COLLINS: Now, didn't you state also at that meeting, and if you did, upon what ground did you base it, that the carriers, that is the transportation industry, being in a serious condition in California, it had to be nursed along in order to preserve the economic safety of the State?

MR. BROWN: Yes. I don't think that any one agency of transportation could transport all the traffic. I think we have to have all forms of transportation.

ASSEMBLYMAN GEORGE D. COLLINS: Would you say that if any of them went under, I mean any branch of it, that it would seriously affect the economic setup of the State?

MR. BROWN: Well, very definitely, that is if any large group of them went under. Of course, we have carriers falling by the wayside all the time, and that doesn't affect the economy because in my opinion, I'm only expressing my personal opinion, they are marginal operators, but if we had any large group of certificated carriers that are operating regular daily scheduled services between fixed termini, if they ceased operations, it would seriously affect the economy of the State.

ASSEMBLYMAN COOKE: I rise to move that we now rise as a Committee of the Whole and report back to the Assembly.

CHAIRMAN SAM L. COLLINS: I think we should permit Mr. Collins to conclude his interrogation.

ASSEMBLYMAN GEORGE D. COLLINS: Now, Mr. Brown, there has been some statement made about a 3 percent arbitrary. What do you mean by that?

MR. BROWN: Well, we granted a 12 percent increase on all shipments up to 20,000 pounds. Now, we have a weight bracket from zero to 2,000 pounds and superimposed on that 12 percent was a 3 cent, not a 3 percent, a 3 cent for 100 pounds arbitrary, because our studies have shown, and the experience of the carriers has shown, that all that traffic that has to move over the terminals is expensive to handle, and that is where they were losing most of their money.

ASSEMBLYMAN GEORGE D. COLLINS: Now, how long does it take before an application ordinarily can be heard and decided by the commission when an application is either made for an increase or a reduction of rates?

MR. BROWN: Well, it depends upon the type of application, Mr. Collins. We will talk about the last increase we gave. That took a period as I recall—the hearings were submitted in December, 1946, and decided in February and became effective March 31, 1947. Now, in ordinary procedure which the commission has to follow, and I want to stress this point—we are not primarily concerned with the carriers. We have to look at this from the interests of the public as a whole, the shippers and receivers of goods. In other words, it is primarily an economic problem.

Now, if the carriers, group of carriers file their application and we have to give them at least 10 days' notice—now, the burden of proof is upon the carriers. If they are ready to proceed, why we let them put their showing in. Then we have our engineers make their own independent study and receive that report, and we give the shippers an opportunity to study the reports of both the carriers and the commission experts and then we hear their side of the story, and then the matter is submitted. After that there is the time spent in analyzing the evidence and preparing the decision. Now, the time may vary.

In a comparatively simple matter, we may be able to act within 30 days. In a complex matter it may take us six months. We have to follow due process of law.

ASSEMBLYMAN GEORGE D. COLLINS: Well, wasn't the statement made before the subcommittee that on occasions it took a year or more for a person to get a hearing who had made an application?

MR. BROWN: I didn't make that statement. I think the statement was made in some other committee, but not by any member of the commission.

ASSEMBLYMAN GEORGE D. COLLINS: Now, finally, let me ask you this. This rate you gave the truckers on this last occasion, you believe that to be sufficient to give them a fair return on their money, and nothing more, is that right?

MR. BROWN: For the majority of them that is our judgment, yes.

ASSEMBLYMAN GEORGE D. COLLINS: Now, if there are any further burdens put upon them as far as expenses are concerned, would you say that that would have any result in the matter of future applications for raises?

MR. BROWN: Well, I presume if any burden was put on them that they couldn't meet out of their current revenues, that they would be before us in 10 or 15 days. And I want to make this clear, that any expense including taxes, income taxes or anything else that is a direct operating expense, must be taken into consideration by the commission in arriving at its decision.

ASSEMBLYMAN GEORGE D COLLINS: For instance, if a burden, we'll say, of $5,000,000 a year was put on the truckers and they were just getting a fair return on their money, then that $5,000,000 would be reflected in another raise of rates if they could prove that to you?

MR. BROWN: If they could prove it, yes. They would have to make a showing. In other words, the burden of proof is upon them in the first instance.

ASSEMBLYMAN GEORGE D. COLLINS: That is all.

(Thereupon a motion was made for the Committee of the Whole to arise and be in session.)

ASSEMBLYMAN FIELD: Mr. Speaker, I would like for the Assembly to extend thanks to both Mr. Craemer and Mr. Brown for coming here today.

CHAIRMAN SAM L. COLLINS: As your Chairman and Speaker, I desire on your behalf to express to you our appreciation for your courteous attention and answers today. We do appreciate your coming over here immensely. Thank you.

(Thereupon the questioning of Mr. Craemer and Mr. Brown ceased and they were excused.)

REPORTER'S CERTIFICATE

This is to certify that I, Alice Book, a stenotype reporter, was present at the time and place the foregoing proceedings were had and taken before Chairmen Thomas A Maloney, Speaker pro Tempore and Sam L. Collins, Speaker of the Assembly in Committee of the Whole, in the Assembly Chamber of the State Capitol Building, Sacramento, California, on Wednesday, April 2, 1947, at the hour of 11.15 a.m., and that as such reporter did take down in stenotype notes the aforesaid proceedings, and afterwards caused the said stenotype notes to be reduced to longhand typewriting, and the foregoing pages beginning at the top

of page 1 to and including line 18 of page 76 hereof, constitute a full, true, complete, and accurate transcription of the aforesaid proceedings.

Dated this fourth day of April, 1947.

GRAESER REPORTERS
By ALICE BOOK, Reporter

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Mr. Conrad, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to James Tarantino and Sol Stowe of Hollywood.

On request of Mrs. Niehouse and the San Diego Delegation, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Mrs. Georgette McCormick and Mrs. Ruth Bence of San Diego.

On request of Mr. Wollenberg and the San Francisco Delegation, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Robert Callahan and Melvin Entrup of San Francisco.

On request of Messrs. Fletcher and Grant, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Miss Evelyn Banegh, Col. Jesse Jackson and James W. Bibb of Long Beach.

On request of Mr. Burke and the Assembly, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Leo E. Anderson of Los Angeles.

On request of Mr. Maloney, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Barbara McLeod and Marjorie McLeod of Sacramento.

ADJOURNMENT

At 5.45 p.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11 a.m., Tuesday, April 8, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

FORTY-FIFTH LEGISLATIVE DAY
EIGHTY-SIXTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Tuesday, April 8, 1947

The Assembly met at 11 a.m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—76.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

O Lord hear my prayer, and let my cry come unto Thee. Let us pray: O God, who in this Easter solemnity has bestowed upon the world remedies of salvation, continue, we beseech Thee, to pour forth Thy heavenly gifts upon Thy people; that thereby they may deserve to obtain perfect liberty, and arrive at eternal salvation, through Christ Our Lord—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Berry, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following members were granted leaves of absence for the day, because of illness:

Mr. Erwin, on motion of Mr. Field.
Mr. Knight, on motion of Mr. Field.
Mr. Burns, on motion of Mr. Field.

REPORTS OF STANDING COMMITTEES

Committee on Ways and Means

ASSEMBLY CHAMBER, SACRAMENTO, April 8, 1947

MR. SPEAKER: Your Committee on Ways and Means, to which was referred:

Assembly Bill No. 35

Has had the same under consideration, and reports the same back with amendments with the recommendation: Amend, and do pass, as amended.

WOLLENBERG, Chairman

Above reported bill ordered to second reading.

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, April 8, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:

Assembly Bill No. 43

And reports the same correctly re-engrossed.

WEBER, Chairman

Above reported bill ordered to third reading.

Committee on Rules

ASSEMBLY CHAMBER, SACRAMENTO, April 8, 1947

MR. SPEAKER: Your Committee on Rules, to which was referred:

Request from Mr. Caldecott relative to a report and letter from the County Supervisors Association of California and the California Taxpayers Association.

Has had the same under consideration, and reports the same back with the recommendation: Be printed in the Assembly Daily Journal.

DICKEY, Chairman

Above reported request granted.

Above mentioned report and letter ordered printed in the Journal as follows:

COMMUNICATION FROM COUNTY SUPERVISORS ASSOCIATION

COUNTY SUPERVISORS ASSOCIATION OF CALIFORNIA

SACRAMENTO 14, CALIFORNIA, April 2, 1947

Hon. T. W. Caldecott
Member of Assembly
State Capitol, Sacramento, California

DEAR MR. CALDECOTT: You will find attached a statement on estimated fund balances for county road purposes as of June 30, 1947. You will also find excerpts from telegrams on this matter submitted by various counties to their association office in Sacramento.

We have prepared this statement in order to clarify the situation in regard to funds which actually will be available for county road purposes during the Fiscal Year 1947-48. A report of the California Taxpayers Association already has been presented to the Legislature, which report sets forth certain basic figures applying to this subject. Although the figures presented by the California Taxpayers Association are substantially correct, they fail to present a true picture. Our statement, which is attached, shows that most of the money indicated in the California Taxpayers Report as available for county road expenditures will either have been spent or encumbered for specific projects by the end of this fiscal year, June 30, 1947.

The major sections of the California Taxpayers Association's Report are presented below with our comments:

County Budgets 1946-1947

It will be noted that we estimate total expenditures for county roads during the present Fiscal Year 1946-47 at $35,000,000. This is approximately $10,000,000 in excess of the reported expenditures for the Fiscal Year 1945-46. The indicated cash balance of $19,000,000 as of June 30, 1947, is completely accounted for by two factors which are well known to those who are acquainted with county highway operations and finance. These two factors are:

(1) A normal operating fund of $7,500,000 which takes care of a "dry period" in county road finance in the two or three months period following July 1st of each fiscal year, and;

(2) An amount of $11,500,000 which represents an accumulative reserve for construction projects which are either under construction or for which contracts will have been let by the end of this fiscal year.

Construction and Employment Act of 1945

It will be recalled that of the $90,000,000 appropriation by the State Legislature in Special Session of 1946 in the Construction and Employment Act, known as Chapter 20, $15,000,000 was set aside to be used exclusively for county highway and road purposes. In this connection, it is important to keep in mind that the act was intended first of all to assist the agencies of local government to alleviate or prevent unemployment during the period of economic adjustment after the war. The attached fund balance statement will indicate that between $2,000,000 and $3,000,000 will have been approved by the State Allocations Board by the end of this fiscal year. Since funds provided by the Construction and Employment Act were intended to cover a five-year period, this amount of road projects approved during the first year of operations under the act is not out of line.

Federal Aid Highway Act of 1944 and County Highway Aid Act of 1945

Reference to the attached fund statement will demonstrate the fact that only $6,000,000 of the moneys available for road purposes under these two acts will remain unencumbered by the end of this fiscal year on June 30th. Furthermore, applications amounting to considerable more than this figure are already pending before the State Allocations Board. New contracts for road construction projects to be financed from the 1945 Highway Act funds cannot exceed $5,000,000 to $6,000,000 during the next Fiscal Year 1947-48.

By the simple process of addition, a proper understanding of the California Taxpayers Association's Report on Road Finance demonstrates the fact that apart from the $90,000,000 Act funds, a very small amount of unencumbered money for county road purposes will be available from existing sources by the end of this fiscal year. This means that a continued county road program which is at all adequate to meet urgent county needs is completely dependent upon additional sources of revenue such as those provided for in Senate Bill No. 5 before its revenue features were deleted by Assembly action.

Very truly yours,

LEO C. HAMMETT, President

STATEMENT ON ESTIMATED FUND BALANCES FOR COUNTY ROAD PURPOSES AS OF JUNE 30, 1947

(1) County Budgets 1946-1947	
Total budgeted for roads	$54,000,000
Less estimated road expenditures	35,000,000
Estimated cash balance 6/30/47	$19,000,000
Less normal operating fund	7,500,000
Net cash balance	$11,500,000
Less estimated construction contract commitments	11,500,000
Unencumbered balance	----------
(2) Construction and Employment Act of 1945	
Earmarked for county roads	$15,000,000
County applications approved by State	1,700,000
Estimated to be approved by 6/30/47	500,000
Estimated balance in fund for roads	$12,800,000
(3) Federal Aid Highway Act of 1944 and County Highway Aid Act of 1945	
Apportionment, Federal and State, for first 2 years of 3-year program	$17,000,000
Estimated to be completed or under contract by 6/30/47	11,000,000
Estimated balance 6/30/47 in fund for roads	*$6,000,000

* This estimated balance of $6,000,000 is completely covered by applications already filed with the State Allocations Board

The following statements regarding 1946-47 county road budgets are representative of replies sent into the County Supervisors Association's Office in connection with the Report of the California Taxpayers Association.

(1) Santa Barbara County. "Unable to ascertain source from which data California Taxpayers Association reports highway budget cash balance indicated your wire thirteenth. Five hundred ninety-six thousand, four hundred ninety-one dollars and twenty-six cents budgeted 1946-47 for county highway purposes. No surplus indicated as moneys fully budgeted and most expenditure commitments already made. Current highway program will not be fully financed unless next quarter gasoline tax apportionment remains at high level. No application yet submitted for state funds under 1946 Construction and Employment Act. Application will be submitted when plans and estimates are completed. Plan money in amount of $36,000 has been applied for."

(2) Alameda County. "Highway fund cash balance July 1, 1946 was $2,001,132. This amount resulted from accumulated balances during war years when expenditures were limited. Much deferred construction on large bridges and major highway projects. These still deferred due to uncertainty of future funds. You should recall that Collier committee staff reports indicated severe cuts in funds to urban counties. County Highway Act of 1945 expenditure in 1946 $50,496. This is full allocation. Similar amount to be spent in 1947. Chapter 20, Statutes 1946 allocates $216,000 for roads. Not yet budgeted due to continued uncertainty."

(3) Los Angeles County. "California Taxpayer figure substantially correct. Represents $1,700,000 held for cities pending award of

city contracts; $3,745,000 for road construction, plus $541,000 for bridges for which plans not completed. Balance is maintenance to be deferred plus reserves and over realization of revenue. Road budget 1946-47 total $20,320,293, of which $19,205,196 appropriations $49,407 unappropriated reserve, $1,065,690 general reserve. County Highway Act of 1945, applications filed $578,654, no approvals. Construction and Employment Act of 1946, applications filed, $1,261,929; approvals $538,612; contracts signed by county, $426,108."

(4) Orange County telegram, March 14, 1947. "Your wire today cash balance $869,338 correct. Available for 1946-47 surplus over normal balance of $300,000 due to curtailment during war period. Immediate needs exceed $3,000,000. County Highway Act of 1945 allotment $230,087, of which $141,800 is under contract using first two years allotment. Application for balance will be submitted in April. Construction and Employment Act $98,999 submitted. Construction practically completed. Plans complete for projects to use entire balance. Applications will be submitted April and May, letter follows."

Orange County letter, March 14, 1947. "Just a few statements supplementing wire of today regarding Orange County highway finances.

"You are aware that government regulations and shortage of personnel, equipment and material during the war period so restricted highway programs that all prudent local agencies were able to build up reserves to partially replace neglected highway facilities.

"Under the Construction and Employment Act Orange County submitted applications for bridge projects amounting to $98,999. These applications were disallowed on a technicality after contracts were awarded, forcing the county to use its own funds to this extent. Please do what you can for Senate Bill No. 631 and Assembly Bill No. 1670 as they will correct this situation.

"Cash balances in the budget do not give a true picture of highway financing as the beginning of the fiscal year—July 1st—is early in the construction season and large expenditures are made thereafter.

"As shown in our report to the Collier committee, Orange County faces a deficit of $300,000 per year in providing *necessary* highway facilities."

(5) Contra Costa County. "Reference is made to your telegram of March 13, 1947 about county road funds.

"The first item highway budget cash balance of $132,693 is included in the regular appropriation for highway work during the 1946-47 Fiscal Year. The money available under the County Highway Act and the Federal Government Act has been completely covered by projects submitted to the State Highway Department. One of these projects is already advertised for bids to be received March 26th, and the other project is in the process of being prepared for advertisement.

"Plans, specifications, etc. are under preparation for the funds of the Construction and Employment Act of 1946. These plans and specifications will include a number of other projects in addition to the highway projects. The total amount budgeted for roads by this county for the Fiscal Year 1946-47 is $968,850."

(6) San Joaquin County. "1946-47 budget cash balance correct all included in 1946-47 budget $102,106 in bridge funds not yet obligated but plans are ready total of highway budgets for 1946-47 $1,051,032

under County Highway Act of 1945 bridge project advertised $242,000 bridge project approved $373,100 under Construction and Employment Act of 1946 money applied for $38,686.50 no allocation by State."

(7) Stanislaus County. "The balance on hand July 1, 1946 of $517,179 in addition to estimated gas tax, license fees and fines comprise the 1946-47 road and bridge budget of which you have a copy.

"The source of the cash balance is unexpended money in all road and bridge accounts and was available for expenditure in Fiscal Year 1946-47 together with estimated receipts.

"The 1946-47 road and bridge budgets comprise all estimated receipts and balances on hand and were budgeted for necessary maintenance work and new construction projects together with materials amounting to $16,000 which were purchased and used prior to June 30, 1946 and paid from the 1946-47 budget.

"Plans are now under way and money budgeted in the 1946-47 budget for the reconstruction of 42 miles of county highways. This work is to be paid for from California Construction and Employment Act of 1946 and matching money from Stanislaus County road funds. *This uses all our cash balance and leaves $120,000 of the California Construction and Employment Act of 1946 allocation to be matched in the 1947-48 budget.*

"For the Fiscal Year 1947-48 in the absence of any carry-over money our present anticipated receipts will not even provide for the necessary maintenance on Stanislaus County roads.

"Five hundred fourteen thousand six hundred ninety-eight dollars is the Stanislaus County portion of the County Highway Act of 1945 and was budgeted in the 1946-47 budget. One hundred seventy-one thousand dollars has been allocated but no expenditures have been made.

"Three hundred seventy-six thousand one hundred thirty-two dollars is the Stanislaus County portion of the California Construction and Employment Act of 1946 which was budgeted in the 1946-47 budget together with all but $120,000 of the necessary matching money."

(8) Fresno County. "Cash carry over July 1, 1946 as follows: Gas and license plate tax $449,564.24; highway maintenance for county bonded roads $19,532.32; general road fund motor vehicle fines and forest reserve $38,382.01; and balance for old road tax being held for right of way purchases etc. $3,694.16. *This balance considerable less than year ago. Must have considerable cash carry over July 1st each year of oiling purposes as this only fund available until first quarter gas tax is received.* Postwar money Section 565 $6,414.29; used balance $19,959.06. Application for 1946 Act money is now being made.

(9) Kings County. "Three hundred eleven thousand, nine hundred thirty dollars carry over from 1945-46 in 1946-47 budget for current year use. Eight thousand nine hundred forty-one dollars of 1945 act available for engineering work under way. Three hundred fourteen thousand eight hundred forty-seven dollars of 1946 act available when matched by county for construction of projects being prepared under 1945 act. Allocations will be applied for in near future."

(10) Imperial County. "Twenty-six thousand forty dollars aggregate cash balance remaining in five road district accounts July 1st was available and has been spent for 1946-47 road budget under County Highway Act 1945. Money applied for to date $538,026. Projects approved

to date for $538,026. Money allocated to date, none. Under California Construction and Employment Act 1946: Money applied for $13,600; money allocated, none. 1946-47 budget for roads $2,800,080 including prospective state allocations."

(11) San Bernardino County. "Money budgeted for roads only in 1946-47 budget including previous balance and anticipated revenues for new construction and maintenance $802,500. *Apparent surplus or balance at beginning fiscal year not great when size of county mileage of roads, increase in population and responsibility for construction and maintenance interstate and recreational roads through mountain and desert areas are considered.* Surplus was accumulated through war years because of labor, material, and equipment shortage and an economy program with definite desire and intent to provide postwar construction fund."

(12) Yuba County. "The cash balances on hand as of July 1, 1946, in the various road districts are made up of the following: Postwar Road Improvement $6,054.56; Gas Tax Money-R.D. 1 $2,169.78; R.D. 1-County Tax Money $2,248.63; total $4,418.41; Gas Tax Money-R.D. 2 $7,842.88; R.D 2-County Tax Money $28,372.91; total $36,215.79; Gas Tax Money-R.D. 3 $7,709.87; R.D. 3-County Tax Money $9,603.50; total $17,313.37; total cash balances on hand as of July 1, 1946, $64,002.13.

"These amounts were rebudgeted in the 1946-1947 budget and had outstanding claims against the greater part of them at the time of the new budget.

"Regarding Yuba County's application for moneys under the Highway Act of 1945 and California Construction and Employment Act of 1946, beg to advise as follows:

"Under the Highway Act of 1945 we received $8,172.96, of which $8,152.76 has been expended as of February 28, 1947.

"Under the California Construction and Employment Act of 1946, there has been approved an application for $10,285, but no money has been received and none expended.

"I am unable at this time to give any totals on the amounts of money applied for as there seem to be no definite figures available.

"The money budgeted for roads in 1946-1947 is as follows: Road District No. 1, $73,827.69; Road District No. 2, $87,065.70; Road District No. 3, $67,398.10; balance of postwar money under Highway Act of 1945, $6,065.56; totals, $234,346.05.

"These budgeted amounts include the balances shown above as being on hand as of July 1, 1946."

(13) Ventura County. "Ventura County cash balance $163,754 was unexpended balance 1945-46 highways and bridges budget due to incomplete projects or ones not started due to shortage of labor and material funds from all sources for highway work placed in county highway budget so source of balance not determined. Balance transferred to 1946-47 highway budget county highway act 1945 applied for total, $249,019; Federal, $128,231; State, $120,788; Approved Total $267,081; Federal, $141,645; State Estimates at $125,435 funds are expended by State. California Construction and Employment Act applied for $141,620 allocates $69,175 expended to date by county $28,966."

(14) Sonoma County. "Reference is made to your telegram of March 14, 1947, concerning highway budget cash balances.

"I am unable to reconcile the figure you quote of $672,626, but am sending you statements of Sonoma's County's highway budget, and joint projects under Federal Aid Highway Act of 1944 and County Aid Highway Act of 1945, and Construction and Employment Act of 1946.

"The estimated dates of completion or planned construction, and the present status of the projects planned under the Federal Aid Act of 1944 and the County Aid Act of 1945 are as noted on the enclosed schedule.

"It is intended that the projects budgeted under the California Construction and Employment Act of 1946 will be either under construction by day labor or committed by contract, as noted on the attached list, before December 31, 1947.

"It may be noted from the statement of county funds that the only considerable balance, apart from the joint state and county projects, is in the appropriation for construction. These projects have naturally been suspended during the winter, but are being presently resumed and will be completed by the end of the fiscal year."

NOTICE OF MOTION TO RECONSIDER ASSEMBLY BILL NO. 26 CONTINUED

Mr. Wollenberg asked for, and was granted, unanimous consent that his notice of motion to reconsider Assembly Bill No. 26 be continued until the next legislative day.

MOTION TO RECONSIDER SENATE BILL NO. 5

In compliance with a notice given on a previous day, Mr. Wollenberg moved that the vote whereby Senate Bill No. 5 was passed be reconsidered.

Demand for Previous Question

Messrs. Lowrey, Geddes, Burke, Doyle, and Cooke demanded the previous question.

Demand for previous question sustained.

The question being on the motion to reconsider the vote whereby Senate Bill No. 5 was passed.

The roll was called, and the motion lost by the following vote:

AYES—Allen, Boyd, Butters, Caldecott, Carey, Collier, George D. Collins, Lester T. Davis, M. Philip Davis, Debs, Grunsky, Hahn, Hinckley, Hinton, James, Johnson, Kirkwood, Loomis, Miller, Sheridan, Stanley, Thomas, Thurman, and Wollenberg—24.

NOES—Anderson, Beck, Bennett, Berry, Blosser, Brady, Brown, Burke, Cooke, Cramer, Crichton, Crowley, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Hawkins, Heisinger, Hollibaugh, Huyck, Kilpatrick, Lowrey, Luckel, Lyons, Maloney, McMillan, Niehouse, O'Day, Price, Robertson, Rosenthal, Sherwin, Silliman, Stephenson, Stewart, Thompson, Thorp, Waters, Weber, and Mr. Speaker—49.

Bill ordered transmitted to the Senate.

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Mr. O'Day and the San Francisco Delegation, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Abraham M. Dresow and Fred H. Hockler of San Francisco.

ADJOURNMENT

At 12.10 p.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11 a.m., Wednesday, April 9, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

FORTY-SIXTH LEGISLATIVE DAY
EIGHTY-SEVENTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Wednesday, April 9, 1947

The Assembly met at 11 a.m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—77.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

Look down upon Thy people, we beseech Thee, O Lord, and as Thou hast vouchsafed to renew them with eternal mysteries, mercifully absolve them from temporal faults, through Christ Our Lord—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Loomis, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. Knight, by unanimous consent.

The following member was granted leave of absence for the day, and desired to waive his per diem:

Mr. Huyck, by unanimous consent.

NOTICE OF MOTION TO RECONSIDER CONTINUED

Mr. Wollenberg asked for, and was granted, unanimous consent that his notice of motion to reconsider Assembly Bill No. 26 be continued until the next legislative day.

MOTION TO PRINT REMARKS BY MR. GANNON

Mr. Cooke moved that the remarks made by Mr. Gannon before the Assembly, yesterday, April 8, 1947, be ordered printed in the Journal.

Motion carried.

Above remarks will be printed in a subsequent Journal.

CONSIDERATION OF DAILY FILE
SECOND READING OF ASSEMBLY BILLS

Assembly Bill No. 35—An act to provide for the relocation of a portion of State Highway Route 5 in Santa Clara County, making an appropriation therefor, and declaring the urgency hereof, to take effect immediately.

Bill read second time.

Consideration of Committee Amendments

The following amendment was proposed by the Committee on Conservation, Planning, and Public Works:

Amendment No. 1

On page 1, line 14, of the printed bill, between "law" and the period, insert ", provided that said appropriation shall not become available for expenditure unless within two (2) years from the effective date of this act the following things have been done: (1) The Santa Clara Valley Water Conservation District shall have made application for the approval of plans and specifications for the construction of a dam for the proposed reservoir and shall have furnished to the State Engineer therefor data concerning subsoil and foundation conditions, and shall have drilled or otherwise prospected the site, and shall have furnished such other pertinent information as the State Engineer may require, as provided in Article 1 of Chapter 5 of Part 1 of Division 3 of the Water Code; (2) The State Engineer shall have approved the plans and specifications for the proposed dam; (3) the issuance of bonds by the Santa Clara Valley Water Conservation District in an amount sufficient to construct the proposed dam and reservoir shall have been authorized at an election as provided by law.

When the foregoing things have been done the period of availability of the appropriation made by this act shall commence to run.

If any of the foregoing things are not done within said period of two (2) years said appropriation shall revert to the General Fund and on order of the State Controller shall be transferred to the General Fund".

Amendment read, and adopted.

Bill ordered reprinted, and engrossed.

ADJOURNMENT

At 11.10 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11 a.m., Thursday, April 10, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

FORTY-SEVENTH LEGISLATIVE DAY
EIGHTY-EIGHTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Thursday, April 10, 1947

The Assembly met at 11 a.m.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—75.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

Anticipate, we beseech Thee, O Lord, our actions by Thy grace, and further them by Thy constant assistance, that all our words and works may ever begin with Thee, and through Thee be happily ended, through Christ Our Lord—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Grunsky, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. Knight, on motion of Mr. Field.

The following members were granted leaves of absence for the day, because of legislative business elsewhere:

Mr. Cooke, on motion of Mr. Field.

Mr. Price, on motion of Mr. Field.

REPORTS OF STANDING COMMITTEES

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, April 10, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:

Assembly Bill No. 35

And reports the same correctly engrossed.

WEBER, Chairman

Above reported bill ordered to third reading.

Speaker Pro Tempore Presiding

At 11.05 a.m., Hon. Thomas A. Maloney, Speaker pro Tempore of the Assembly, presiding.

NOTICE OF MOTION TO RECONSIDER ASSEMBLY BILL NO. 26 WAIVED

Mr. Wollenberg waived his notice of motion to reconsider the vote whereby Assembly Bill No. 26 was passed.

Assembly Bill No. 26 ordered transmitted to the Senate.

CONSIDERATION OF DAILY FILE

THIRD READING OF ASSEMBLY BILLS

Assembly Bill No. 43—An act to amend Sections 143, 148, 179, and 181 of the Vehicle Code, and to amend Section 7102 of, and add Sections 6460 and 7053.5 to, the Revenue and Taxation Code, relating to the application of the sales and use taxes to motor vehicles and the disposition of proceeds therefrom.

Bill read third time.

Assembly Bill No. 43 ordered passed on file.

Assembly Bill No. 35—An act to provide for the relocation of a portion of State Highway Route 5 in Santa Clara County, making an appropriation therefor, and declaring the urgency hereof, to take effect immediately.

Bill read third time.

Urgency Clause

Urgency clause read, and adopted by the following vote:

AYES—Anderson, Beck, Bennett, Berry, Blosser, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Waters, Weber, Wollenberg, and Mr. Speaker—71.

NOES—None.

The roll was called, and the bill passed by the following vote:

AYES—Anderson, Beck, Bennett, Berry, Blosser, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney,

Gannon, Geddes, Grant, Grunsky, Hahn, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Waters, Weber, Wollenberg, and Mr. Speaker—71.

NOES—None.

Bill ordered transmitted to the Senate.

ADJOURNMENT

At 11.15 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11 a.m., Friday, April 11, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE

FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

FORTY-EIGHTH LEGISLATIVE DAY

EIGHTY-NINTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO

Friday, April 11, 1947

The Assembly met at 11 a.m.

Hon. Thomas A. Maloney, Speaker pro Tempore of the Assembly, presiding.

Chief Clerk Arthur A Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Anderson, Beck, Bennett, Berry, Blossel, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Nicholson, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr Speaker—74

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

Let us pray: O Almighty and everlasting God, look upon the heart of Thy dearly beloved Son, and upon the praise and satisfaction which He offers Thee on behalf of sinners, and being appeased grant pardon to those who seek Thy mercy, in the name of the same Jesus Christ Thy Son, who lives and reigns with Thee through all eternity—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Loomis, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following members were granted leaves of absence for the day, because of legislative business elsewhere:

Mr. Cooke, by unanimous consent.

Mr. Price, by unanimous consent.

Mr. Hahn, by unanimous consent.

Mr. Allen, on motion of Mr. Huyck.

Mr. Kilpatrick, on motion of Mr. Bennett.

Mr. McCollister, for the balance of the legislative day, by unanimous consent.

Mr. O'Day, for the balance of the legislative day, by unanimous consent.

RESOLUTIONS

The following resolution was offered:

By Mr. Dickey:

House Resolution No. 42

Resolved by the Assembly of the State of California, That the State Controller be and he is hereby directed and ordered to draw his warrant on the proper fund in favor of the following Member of the Assembly for the amount set opposite his name, and the State Treasurer is hereby directed and ordered to pay the same:

District	Name	Address	Distance from county seat	Distance from county seat, more	Distance from county seat, less	Mileage one way	Total mileage	Amount at 5 cents per mile
44	Edward E Elliott,	Los Angeles, Los Angeles County	447	--	--	447	894	$44 70

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 42, at this time, without reference to committee or file.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cramer, Crichton, Crowley, Lester T. Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Elliott, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McMillan, Miller, Niehouse, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—67.

NOES—None.

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following resolution was offered:

Assembly Concurrent Resolution No. 2: By Mr. Hawkins—Relative to adjournment sine die of the Fifty-seventh (First Extraordinary) Session of the Legislature of the State of California.

Referred to Committee on Rules.

REPORTS OF STANDING COMMITTEES

Committee on Governmental Efficiency and Economy

ASSEMBLY CHAMBER, SACRAMENTO, April 10, 1947

MR. SPEAKER: Your Committee on Governmental Efficiency and Economy, to which was referred:

Senate Bill No. 3

Has had the same under consideration, and reports the same back with amendments with the recommendation: Amend, and re-refer to the committee.

FIELD, Chairman

Above reported bill ordered to second reading.

ADJOURNMENT

At 11.10 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 12 m., Monday, April 14, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

FORTY-NINTH LEGISLATIVE DAY
NINETY-SECOND CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Monday, April 14, 1947

The Assembly met at 12 m.

Hon. Thomas A. Maloney, Speaker pro Tempore of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—78.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

May the most just, the most high and the most lovable will of God be in all things done, praised, and evermore exalted. To the King of Ages, immortal and invisible, the only God, be honor and glory forever and ever—AMEN.

PLEDGE OF ALLEGIANCE TO THE FLAG

Upon request of the Speaker, the Assembly gave the pledge of allegiance to the Flag.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Grant, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. Knight, on motion of Mr. Doyle.

The following member was granted leave of absence for the day, because of legislative business elsewhere:

Mr. Hinton, on motion of Mr. Doyle.

MOTION TO APPROVE JOURNALS

Upon motion of Mr. Dickey, the Journals for Monday, April 7, 1947; Tuesday, April 8, 1947; Wednesday, April 9, 1947; Thursday, April 10, 1947; and Friday, April 11, 1947, were approved, as corrected by the Minute Clerk.

CONSIDERATION OF DAILY FILE
SECOND READING OF SENATE BILLS

Senate Bill No. 3—An act to amend Sections 102, 108, and 128 of, to add Division 2A, comprising Sections 139 to 139.61 inclusive to, and to repeal Sections 111, 113, 116, 117, 119, 120, 121, 122, 123, 124, 124.2, 125, 126, 135, 135.5, 135.8, 486 and 489 of, the Vehicle Code, providing for the reorganization of the California Highway Patrol, abolishing the Division of Enforcement of the Department of Motor Vehicles, establishing a Department of Highway Patrol and Safety and prescribing its powers, duties, purposes, and functions, providing for the transfer of records and property; and to make available money for the support of said department.

Bill read second time.

Consideration of Committee Amendments

The following amendments were proposed by the Committee on Governmental Efficiency and Economy:

Amendment No. 1

In line 8 of the title of the printed bill, as amended in the Senate on January 31, 1947, strike out "and Safety".

Amendment No. 2

On page 6, line 47, of said bill, after "officer", insert ", investigator".

Amendment No. 3

On page 8 of said bill, between lines 21 and 22, insert

"SEC. 6.5. All persons, other than temporary employees serving in the state civil service and engaged in the performance of a function transferred to the Department of the California Highway Patrol or engaged in the administration of a law, the administration of which is transferred to said department, shall remain in the state civil service and are hereby transferred to the Department of the California Highway Patrol on the effective date of this act. The status, positions and rights of such persons shall not be affected by their transfer and shall continue to be retained by them pursuant to the State Civil Service Act, except as to positions the duties of which are vested in a position that is exempt from civil service under this act."

PRINTER'S NOTE—There being no 7-point strikeout type available, the material which should appear in strikeout type in the following amendment is indicated by being enclosed within brackets.

Amendment No. 4

On page 8 of said bill, between lines 12 and 13, insert

"SEC. 5. Section 484 of said code is amended to read:

484. Duty to Report Accidents. (a) The driver of a vehicle, other than a common carrier vehicle, involved in any accident resulting in injuries to or death of

any person shall within 24 hours after such accident make or cause to be made a written report of such accident to the [department or to any of its branch offices] *main office* or local headquarters of the California Highway Patrol, except when such accident occurs within a city such report shall be made within said 24 hours to the police department of such city.

(b) Every police department shall on or before the fifth day of each month forward every such report so filed with it during the previous calendar month, or a copy thereof, to the main office of the [department] *California Highway Patrol* at Sacramento.

(c) The owner or driver of a common carrier vehicle involved in any such accident shall make a like report to the [department] *California Highway Patrol* on or before the tenth day of the month following the accident.

(d) The [department] *California Highway Patrol* may require any driver, or the owner of a common carrier vehicle, involved in any accident of which report must be made as provided in this section to file supplemental reports and may require witnesses of accidents to render reports to it whenever the original report is insufficient in the opinion of the [department] *California Highway Patrol.*"

Amendment No. 5

On page 8 of said bill, strike out lines 13 to 21, inclusive, and insert "SEC. 6. This act shall become effective October 1, 1947."

Amendment No. 6

On page 3, line 37, of said bill, strike out "an", and insert "its main".

Amendment No. 7

On page 6, line 24, of said bill, strike out "traffic patrol employees of the department", and insert "members of the California Highway Patrol".

Amendment No. 8

On page 7, lines 14 and 15, of said bill, strike out "traffic patrol employee of the department", and insert "member of the California Highway Patrol".

Amendment No. 9

On page 8, line 21, of said bill, strike out "Highway Patrol and Safety", and insert "the California Highway Patrol".

Amendments read, and adopted.

Bill ordered reprinted, and engrossed.

Motion to Place Rush Order on Printing of Senate Bill No. 3

Mr. Field moved that a rush order be placed on the printing of Senate Bill No. 3.

Motion carried.

ADJOURNMENT

At 12.45 p.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11 a.m., Tuesday, April 15, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

FIFTIETH LEGISLATIVE DAY
NINETY-THIRD CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Tuesday, April 15, 1947

The Assembly met at 11 a.m.

Hon. Thomas A. Maloney, Speaker pro Tempore of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—76.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

We pray Thee, O Lord, in Thy mercy to grant us the spirit of always thinking and doing what is right, so that we who cannot exist without Thee, may be able to live according to Thy will, through Christ Our Lord—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Collier, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following members were granted leaves of absence for the day, because of illness:

Mr. Burns, by unanimous consent.
Mr. Cooke, by unanimous consent.
Mr. Knight, by unanimous consent.

The following member was granted leave of absence for the day, because of legislative business elsewhere:

Mr. Hinton, by unanimous consent.

RE-REFERENCE OF BILLS

By order of the Speaker, the following bill was withdrawn from the file, and re-referred as follows:

Senate Bill No. 3 re-referred to Committee on Governmental Efficiency and Economy.

ADJOURNMENT

At 11.10 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11 a.m., Thursday, April 17, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

FIFTY-FIRST LEGISLATIVE DAY
NINETY-FIFTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Thursday, April 17, 1947

The Assembly met at 11 a m

Hon. Thomas A. Maloney, Speaker pro Tempore of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Maloney, McCollister, McMillan, Miller, Niehouse, Price, Robertson, Rosenthal, Sheridan, Sherwin, Sillman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr Speaker—75.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

O God, the author and lover of peace, to know whom is to live, to serve whom is to reign, shield those who call upon Thee from all assaults, so that we who trust in Thy protection may fear no foe, through Christ Our Lord—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Collier, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following members were granted leaves of absence for the day, because of illness:

Mr. Knight, by unanimous consent.

Mr. Lyons, by unanimous consent.

The following member was granted leave of absence for the day, and desired to waive his per diem:

Mr. Butters, by unanimous consent.

ADJOURNMENT

At 11.10 a.m., on motion of Mr. McCollister, the Speaker declared the Assembly adjourned until 11 a.m., Friday, April 18, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

FIFTY-SECOND LEGISLATIVE DAY
NINETY-SIXTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Friday, April 18, 1947

The Assembly met at 11 a.m.

Hon. Thomas A. Maloney, Speaker pro Tempore of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinton, Hollibaugh, Huyck, James, Johnson, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr Speaker—76

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

O Almighty and Everlasting God, give us an increase of faith, hope, and charity; that we may ever know better the truths Thou wishest us to know, may trust in Thy help to attain our goal, and love the commands Thou dost impose upon us—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Conrad, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. Knight, on motion of Mr. Doyle

The following members were granted leaves of absence for the day, because of legislative business elsewhere:

Mr. Kilpatrick, on motion of Mr. Doyle.
Mr. Miller, on motion of Mr. Doyle.
Mr. Hinckley, on motion of Mr. Doyle.
Mr. Crowley, on motion of Mr. Doyle.

The following member was granted leave of absence for the day, and desired to waive his per diem:

Mr. Butters, on motion of Mr. Doyle.

REPORTS OF STANDING COMMITTEES

Committee on Rules

ASSEMBLY CHAMBER, SACRAMENTO, April 18, 1947

MR. SPEAKER: Your Committee on Rules, to which was referred:

House Resolution No. 41

Has had the same under consideration, and reports the same back with the recommendation: Be adopted.

DICKEY, Chairman

REQUEST FOR UNANIMOUS CONSENT

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 41, at this time, without reference to file.

CONSIDERATION OF HOUSE RESOLUTION NO. 41

House Resolution No. 41

Resolved, That the Controller be and he is hereby authorized to draw his warrants on the Contingent Fund of the Assembly in favor of the persons listed below and for the amounts of money set opposite their respective names, and as itemized below, and the State Treasurer is hereby authorized and directed to pay the same:

Alice Book (transcribing 773 folios)	$199 60
Harold Krabbenhoft (transcribing 2,090 folios)	523 00

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brown, Burke, Burns, Caldecott, Carey, Collier, George D. Collins, Conrad, Cooke, Cramer, Lester T. Davis, M. Philip Davis, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Dunn, Erwin, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hawkins, Heisinger, Hinton, Hollibaugh, Huyck, James, Johnson, Kirkwood, Lowrey, Luckel, Lyons, Maloney, McMillan, Miller, Niehouse, Price, Robertson, Sherwin, Silliman, Stanley, Stephenson, Thomas, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—60.

NOES—None.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, April 18, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate on this day adopted:

Assembly Joint Resolution No. 3

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

Above resolution ordered enrolled.

NOTICE OF MOTION TO WITHDRAW ASSEMBLY BILL NO. 37 FROM COMMITTEE

Messrs. Geddes and Silliman gave notice that on the second legislative day they would move to withdraw Assembly Bill No. 37 from the Committee on Ways and Means, and have it placed upon the file.

ADJOURNMENT

At 11.05 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 12 m., Monday, April 21, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

FIFTY-THIRD LEGISLATIVE DAY
NINETY-NINTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Monday, April 21, 1947

The Assembly met at 12 m.

Hon. Richard H. McCollister, Member of the Assembly from the Seventh District, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Maloney, McCollister, McMillan, Miller, Nichouse, O'Day, Price, Robertson, Rosenthal, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Waters, Weber, Wollenberg, and Mr. Speaker—72.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

O God, who dost make the faithful to be of one mind and will, grant that we, Thy people, may love what Thou dost command, and desire what Thou dost promise; so that, amid the changing things of this world, our hearts may be fixed where true joys are to be found, through Christ Our Lord—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Beck, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following members were granted leaves of absence for the day, because of illness:

Mr. Knight, by unanimous consent.
Mr. Lyons, by unanimous consent.
Mr. Thurman, by unanimous consent.
Mr. Geddes, by unanimous consent.

The following member was granted leave of absence for the day, because of legislative business elsewhere:

Mr. Boyd, by unanimous consent.

The following member was granted leave of absence for the day, and desired to waive his per diem:

Mr. M. Philip Davis, by unanimous consent.

PLEDGE OF ALLEGIANCE TO THE FLAG

Upon request of the Speaker, the Assembly gave the pledge of allegiance to the Flag.

REPORTS OF STANDING COMMITTEES

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, April 21, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:

Assembly Joint Resolution No. 3—Relative to memorializing the President and the Congress of the United States to effect legislation which will permit the use of decommissioned hospital ships by state and city agencies;

And reports that the same has been correctly enrolled, and presented to the Secretary of State on the twenty-first day of April, 1947, at 9 a.m.

WEBER, Chairman

MOTION TO APPROVE JOURNALS

Upon motion of Mr. Dickey, the Journals for Monday, April 14, 1947; Tuesday, April 15, 1947; Thursday, April 17, 1947; and Friday, April 18, 1947, were approved as corrected by the minute clerk.

ALL MATTERS ON FILE CONTINUED BY UNANIMOUS CONSENT

By unanimous consent, all matters on file were continued until the next legislative day.

ADJOURNMENT

At 12.10 p.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11 a.m., Wednesday, April 23, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

FIFTY-FOURTH LEGISLATIVE DAY
ONE HUNDRED FIRST CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Wednesday, April 23, 1947

The Assembly met at 11 a.m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—77.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

We offer unto Thee, O Lord, this prayer of petition, beseeching Thy clemency; that it may arise up in the sight of Thy divine majesty as a sweet savor, for our own salvation, and for that of the whole world—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Sheridan, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following members were granted leaves of absence for the day, because of illness:

Mr. Knight, on motion of Mr. Dickey.
Mr. Geddes, on motion of Mr. Dickey.

The following member was granted leave of absence for the day, and desired to waive his per diem:

Mr. Crichton, on motion of Mr. Dickey.

RESOLUTIONS

The following resolution was offered:

By Mr. McCollister:

House Resolution No. 43

Relative to requesting the Senate to take action on Senate Bill No. 5

WHEREAS, On April 8, 1947, this Assembly passed Senate Bill No. 5, as amended, and, in conformity with the Joint Rules of the Senate and Assembly, transmitted the same to the Senate for concurrence in the Assembly amendments; and

WHEREAS, Joint Rule 26 provides that in such a case the Senate must concur or refuse to concur in the Assembly amendments and Joint Rule 28 provides that upon refusal to concur a committee on conference shall be appointed; and

WHEREAS, The Senate has not acted upon Senate Bill No. 5 for more than two weeks, although Senate Bill No. 5 is the principal unfinished business of the 1947 First Extraordinary Session; and

WHEREAS, When this bill is disposed of the Legislature will be in position to adjourn the extraordinary session and devote itself to the important legislation confronting it in the 1947 Regular Session; now, therefore, be it

Resolved by the Assembly of the State of California, That the Senate of the State of California is hereby respectfully requested to take action on Senate Bill No. 5 of the 1947 First Extraordinary Session of the Legislature in conformity with the Joint Rules of the Senate and Assembly, without further delay; and be it further

Resolved, That the Chief Clerk of the Assembly is directed to transmit a copy of this resolution to the President of the Senate.

Request for Unanimous Consent

Mr. McCollister asked for, and was granted, unanimous consent to take up House Resolution No. 43, at this time, without reference to committee or file.

Resolution read.

Demand for Previous Question

Messrs. James, Robertson, Evans, Hinckley, and Thomas demanded the previous question.

The roll was called, and the demand for the previous question sustained by the following vote:

AYES—Bennett, Berry, Blosser, Brady, Burke, Butters, Caldecott, Clarke, Collier, Conrad, M. Philip Davis, Debs, Dickey, Dunn, Fletcher, Gaffney, Grant, Grunsky, Heisinger, Hinckley, Hinton, Hollibaugh, James, Johnson, Kilpatrick, Kirkwood, Lowrey, Luckel, Maloney, McMillan, Miller, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Stanley, Stephenson, Thomas, Thompson, Thorp, Thurman, and Wollenberg—44.

NOES—Allen, Anderson, Boyd, Brown, George D. Collins, Cooke, Cramer, Crowley, Clayton A. Dills, Ralph C. Dills, Doyle, Elliott, Erwin, Field, Gannon, Hahn, Huyck, Loomis, Lyons, McCollister, Niehouse, Sillman, Stewart, and Waters—24.

The question being on the adoption of House Resolution No. 43.

The roll was called, and the resolution refused adoption by the following vote:

AYES—Allen, Bennett, Berry, Blosser, Brady, Brown, Crowley, Debs, Dickey, Clayton A. Dills, Dolwig, Doyle, Elliott, Evans, Fletcher, Gaffney, Grant, Hinckley, Hollibaugh, Huyck, Johnson, Kilpatrick, Maloney, McCollister, McMillan, O'Day, Robertson, Sillman, Stanley, Thorp, Waters, and Mr. Speaker—32.

NOES—Beck, Boyd, Burke, Burns, Butters, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, M. Philip Davis, Dunn, Erwin, Field, Gannon, Grunsky, Hahn, Heisinger, Hinton, James, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Miller, Niehouse, Rosenthal, Sheridan, Sherwin, Stephenson, Stewart, Thomas, Thompson, Thurman, Weber, and Wollenberg—39.

ALL MATTERS ON FILE CONTINUED BY UNANIMOUS CONSENT

By unanimous consent, all matters on file were continued until the next legislative day.

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Mr. Thorp, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Mrs. Helen V. Bush, Clerk of the Trustees, Mrs. Tindle and Mrs. M. H. Thomas, teachers, and the following pupils of the Ray Union School of Lodi: Phyllis Bush, Helen Alexander, Joan Perrin, Mary Lou Nelson, Joyce Masui, Grace Okazaki, Henry Okazaki, Marjorie Nagaoka, Dewey Evans, Shirley Tindle, Jo Ann Reaves, Sheron Wagner, Carol Schmierer, Viola White, Ronald White, Manuel Ferreira, and Betty Daniel.

On request of Mr. Miller, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Mrs. Ruth Martin, teacher of the Alamo School of Contra Costa County, and the following pupils: Jean McCoy, Elizabeth Jonker, Bernice Calvin, Kay Cunningham, Lois Schmidt, May Stahr, Ray Beauchamp, Charles Lundgren, Janice Lee Van Tassell, Glorietta Rose, Janet Linder, Gloria Hildebrand, James Reinheimer, Dick Gretler, Clyde Billman, Byington Campbell, Bob Teicheira, Suzanne Benoy, Ann Smith, Ted Johnson, Bill Peare, and Norman Browne.

On request of Mr. Thompson, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Myron Marshall of San Jose.

ADJOURNMENT

At 11 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11.10 a.m., Friday, April 25, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

FIFTY-FIFTH LEGISLATIVE DAY
ONE HUNDRED THIRD CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Friday, April 25, 1947

The Assembly met at 11.10 a.m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinton, Hollibaugh, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—76.

Quorum present.

PRAYER

Upon request of the Speaker, the following prayer was offered by Assemblyman Walter Hinton:

Our Father, once more we come before Thee, thankful for all the blessings Thou has showered upon us. Bring us together with a new and stronger faith in our government, ourselves and in each other; and above all, a stronger faith in Thee, Father of Us All. Grant that we may challenge the responsibilities that lie before us with wisdom, confidence and courage; these things we ask, in Thy name—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Crowley, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of legislative business elsewhere:

Mr. Huyck, by unanimous consent.

The following members were granted leaves of absence for the day, and desired to waive their per diems:

Mr. Allen, by unanimous consent.

Mr. Stanley, by unanimous consent.

REPORTS OF STANDING COMMITTEES

Committee on Conservation, Planning, and Public Works

ASSEMBLY CHAMBER, SACRAMENTO, April 24, 1947

MR. SPEAKER: Your Committee on Conservation, Planning, and Public Works, to which was referred:

Assembly Bill No. 14

Has had the same under consideration, and reports the same back with the recommendation: Do pass.

McMILLAN, Chairman

Above reported bill ordered to second reading.

NOTICE OF MOTION TO WITHDRAW ASSEMBLY CONCURRENT RESOLUTION NO. 2 FROM COMMITTEE

Mr. Thomas gave notice that on the second legislative day he would move to withdraw Assembly Concurrent Resolution No. 2 from the Committee on Rules, and have it placed upon the file.

ADJOURNMENT

At 11.20 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11.30 a.m., Monday, April 28, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

FIFTY-SIXTH LEGISLATIVE DAY
ONE HUNDRED SIXTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Monday, April 28, 1947

The Assembly met at 11.30 a.m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Butters, Caldecott, Clarke, Collier, George D. Collins, Conrad, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—74.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

Visit, we beseech Thee, O Lord, these halls and drive far from them all the snares of the enemy. Enlighten those who work herein that they may ever frame just laws and make right decisions. Let Thy holy angels dwell herein to preserve them in peace and harmony, and let Thy blessing be always upon them, through Christ Our Lord—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Ralph C. Dills, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following members were granted leaves of absence for the day, because of illness:

Mr. Burns, on motion of Mr. Dickey.

Mr. Cooke, on motion of Mr. Dickey.

The following member was granted leave of absence for the day, because of legislative business elsewhere:

Mr. Erwin, on motion of Mr. Dickey.

PLEDGE OF ALLEGIANCE TO THE FLAG

Upon request of the Speaker, the Assembly gave the pledge of allegiance to the Flag.

RESOLUTIONS

The following resolution was offered:

By Mr. Dickey:

House Resolution No. 44

Resolved, That the Controller be and he is hereby authorized to draw his warrants on the Contingent Fund of the Assembly in favor of the persons or firms listed below and for the amounts of money set opposite their respective names, and as itemized below, and the State Treasurer is hereby authorized and directed to pay the same:

Department of Finance (typewriter service)	$28 72
Rogers Letter Shop (mimeographing)	16 40
Sam S Frieden (lettering doors and voting machine)	30 35
Western Manufacturing Company (cases)	43 31
Bureau of Purchases (supplies)	243 07
The Pacific Telephone & Telegraph Co. (tolls)	145 05

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 44, at this time, without reference to committee or file.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Allen, Anderson, Beck, Bennett, Blosser, Brady, Brown, Burke, Butters, Caldecott, Clarke, George D. Collins, Conrad, Cramer, Crichton, Lester T. Davis, M Philip Davis, Debs, Dickey, Clayton A Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Evans, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, O'Day, Price, Rosenthal, Sillman, Stanley, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr Speaker—64.

NOES—None.

MOTION TO APPROVE JOURNALS

Upon motion of Mr. Dickey, the Journals for Monday, April 21, 1947; Wednesday, April 23, 1947; and Friday, April 25, 1947 were approved as corrected by the Minute Clerk.

CONSIDERATION OF DAILY FILE

SECOND READING OF ASSEMBLY BILLS

Assembly Bill No. 14—An act to add Section 530 to the Streets and Highways Code, relating to state highway routes.

Bill read second time, and ordered engrossed.

REQUEST FOR UNANIMOUS CONSENT TO TAKE UP MOTION TO WITHDRAW ASSEMBLY CONCURRENT RESOLUTION NO. 2 FROM COMMITTEE TODAY

Mr. Thomas asked for, and was granted, unanimous consent that his motion to withdraw Assembly Concurrent Resolution No. 2 from committee be taken up, at this time.

MOTION TO WITHDRAW ASSEMBLY CONCURRENT RESOLUTION NO. 2 FROM COMMITTEE

In compliance with a notice given on a previous day, Mr. Thomas moved that Assembly Concurrent Resolution No. 2 be withdrawn from the Committee on Rules, and be placed upon the file.

Point of Order

Mr. Beck arose to the following point of order: That Mr. Thomas is not in order because he is one legislative day earlier than his notice of motion requires to withdraw Assembly Concurrent Resolution No. 2 from committee.

Ruling by Speaker

Speaker Collins ruled the point of order not well taken, because Mr. Thomas has been granted unanimous consent that his motion be considered, today.

Demand for Previous Question

Messrs. Weber, Heisinger, James, Hinton, and Burke demanded the previous question.

Demand for previous question sustained.

The question being on the motion by Mr. Thomas that Assembly Concurrent Resolution No 2 be withdrawn from the Committee on Rules, and be placed upon the file.

The roll was called, and the motion lost by the following vote:

AYES—Beck, George D. Collins, Cramer, Elliott, Fletcher, Gannon, Hawkins, Kilpatrick, Lowrey, McMillan, and Thomas—11.

NOES—Allen, Anderson, Blosser, Brady, Brown, Burke, Butters, Caldecott, Clarke, Collier, Conrad, Crichton, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Doyle, Dunn, Evans, Field, Gaffney, Geddes, Grant, Grunsky, Hahn, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kirkwood, Loomis, Luckel, Lyons, Maloney, McCollister, Miller, Niehouse, O'Day, Price, Robertson, Silliman, Stanley, Stewart, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—55.

ALL MATTERS ON FILE CONTINUED

By unanimous consent, all matters on file were continued until the next legislative day.

ANNOUNCEMENT BY MR. DICKEY

Mr. Dickey announced that the United Airlines will extend three courtesy flights in new DC-6 ships, tomorrow, Tuesday, April 29, 1947, to Members of the Legislature; that the flights will be at 3, 4, and 5 p.m.; and that special busses will leave the Senator Hotel 30 minutes ahead of each flight schedule.

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Mr. Stanley, the privilege of the floor of the Assembly Chamber for this day was unanimously extended to J. L. Furman of South Laguna Beach.

ADJOURNMENT

At 11.40 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11.30 a.m., Thursday, May 1, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

FIFTY-SEVENTH LEGISLATIVE DAY
ONE HUNDRED NINTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Thursday, May 1, 1947

The Assembly met at 11.30 a.m.

Hon. Thomas A. Maloney, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—78

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

Our Father, who art in heaven, hallowed be Thy name; Thy kingdom come; Thy will be done, on earth as it is in heaven; give us this day our daily bread and forgive us our trespasses as we forgive those who trespass against us, and lead us not into temptation, but deliver us from evil—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Hinton, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. Burns, by unanimous consent.

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following bill was introduced, and read the first time:

Assembly Bill No. 45: By Mr. Butters—An act to amend Section 142 of the Vehicle Code, relating to vehicles exempted from registration.

Assembly Bill No. 45 ordered printed, and held at the desk without reference to committee.

Motion to Place Rush Order Upon Printing of Assembly Bill No. 45

Mr. Butters moved that a rush order be placed upon the printing of Assembly Bill No. 45.

Motion carried.

RESOLUTIONS

The following resolution was offered:

By Mr. Dickey:

House Resolution No. 45

Resolved, That each and every attache heretofore employed in the Assembly during this First Extraordinary Session of the Legislature be and he is hereby stricken from the pay roll upon completion of work on Thursday, May 1, 1947; and be it further

Resolved, That the following named persons be and they are hereby appointed to the positions hereinafter set forth, with the compensation set opposite their names, payable weekly, and the Controller is hereby authorized and directed to draw his warrants in favor of the respective persons for the said respective amounts, and the Treasurer is hereby authorized and directed to pay the same; said compensation to be on a seven-day week basis:

Commencing Friday, May 2, 1947	*Per day*
Chief Clerk, Arthur A. Ohnimus	$8 00
First Assistant Clerk, Harold F Lewright	7 00
Minute Clerk, Geraldine B. Hadsell	7 00
Assistant Minute Clerk, Lillian Slater	5 00
Chaplain, Rev. Raymond Renwald	3 00
Sergeant-at-Arms, Wilkie Ogg	7 00
History Clerk, Ethel E. Brockelbank	5 00
File Clerk, Ruth Riley	5 00
Engrossing-Enrolling Clerk, Charles W. Robbins	5 00
Journal Clerk, Walter Feeley	5 00
Assistant Journal Clerk, Florence Harvey	5 00
Secretary to Speaker, Irene Anderson	5 00
Secretary to Chief Clerk, Dolly Smith	5 00
Assistant Clerk, Robert J. Finnie	5 00
Assistant Clerk, Carroll Parish	5 00
Assistant Clerk, Randal F. Dickey, Jr.	5 00
Assistant Clerk, C. William Queale	5 00
Chief Stenographer, Juanita Dependener	5 00
Bookkeeper to Sergeant-at-Arms, Elizabeth Marty	5 00

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 45, at this time, without reference to committee or file.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Allen, Beck, Bennett, Berry, Blosser, Boyd, Brown, Burke, Butters, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, M. Philip Davis, Dickey, Doyle, Elliott, Erwin, Field, Fletcher, Gaffney, Gannon, Grant, Grunsky, Hahn, Heisinger, Hinton, Hollibaugh, Huyck, Johnson, Kilpatrick, Knight, Loomis, Luckel, Lyons, Maloney, McMillan, Niehouse, Rosenthal, Stanley, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, and Wollenberg—52

NOES—O'Day—1.

REPORTS OF STANDING COMMITTEES

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, April 28, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:
Assembly Bill No. 14
And reports the same correctly engrossed

WEBER, Chairman

Above reported bill ordered to third reading.

ADJOURNMENT

At 11.40 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11 a.m., Friday, May 2, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE

FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

FIFTY-EIGHTH LEGISLATIVE DAY

ONE HUNDRED TENTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO

Friday, May 2, 1947

The Assembly met at 11 a.m.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Lester T. Davis, M. Philip Davis, Dickey, Clayton A. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Lowrey, Luckel, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—72.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

O God, who by the humility of Thy Son, hast lifted up a fallen world, grant perpetual happiness to Thy faithful ones, and since Thou hast rescued them from the perils of eternal death, bring them likewise to the realization of eternal joy through the same Jesus Christ, Thy Son, who lives and reigns with Thee forever—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Cramer, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. Burns, on motion of Mr. Dickey.

The following members were granted leaves of absence for the day, because of legislative business elsewhere:

Mr. Crowley, on motion of Mr. Dickey.
Mr. Lyons, on motion of Mr. Dickey.
Mr. Loomis, on motion of Mr. Dickey.
Mr. Ralph C. Dills, on motion of Mr. Dickey.

The following members were granted leaves of absence for the day, and desired to waive their per diems:

Mr. Debs, on motion of Mr. Dickey.
Mr. Allen, on motion of Mr. Dickey.

CONSIDERATION OF DAILY FILE

SECOND READING OF ASSEMBLY BILLS

Assembly Bill No. 45—An act to amend Section 142 of the Vehicle Code, relating to vehicles exempted from registration.

Bill read second time, and ordered engrossed.

REPORTS OF STANDING COMMITTEES

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, May 2, 1947

MR SPEAKER: Your Committee on Legislative Procedure has examined:

Assembly Bill No. 45

And reports the same correctly engrossed.

WEBER, Chairman

Above reported bill ordered to third reading.

REQUEST FOR UNANIMOUS CONSENT

Mr Butters asked for, and was granted, unanimous consent to take up Assembly Bill No. 45, at this time, without reference to file.

CONSIDERATION OF ASSEMBLY BILL NO. 45

Resolution to Suspend Constitutional Provision

The following resolution was offered:

By Mr. Butters:

Resolved, That Assembly Bill No 45 presents a case of urgency, as that term is used in Article IV, Section 15, of the Constitution, and the provision of that section requiring that the bill be read on three several days in each house is hereby dispensed with, and it is ordered that said bill be read the third time, and placed upon its passage

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Beck, Bennett, Berry, Boyd, Brown, Burke, Butters, Caldecott, Carey, Collier, George D Collins, Conrad, Cramer, Crichton, Lester T. Davis, Dickey, Clayton A Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Gaffney, Gannon, Geddes, Grant, Grunsky, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Luckel, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Sillman, Stephenson, Thompson, Thurman, Waters, Weber, Wollenberg, and Mr Speaker—59.

NOES—None

Article IV, Section 15, of the Constitution was declared suspended.

Assembly Bill No. 45—An act to amend Section 142 of the Vehicle Code, relating to vehicles exempted from registration.

Bill read third time

The roll was called, and the bill passed by the following vote:

AYES—Anderson, Beck, Bennett, Berry, Boyd, Brown, Burke, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Lester T Davis, M. Philip Davis, Dickey, Clayton A. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant,

Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Lowrey, Luckel, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—71.

NOES—None.

Bill ordered transmitted to the Senate.

ALL MATTERS ON FILE CONTINUED

By unanimous consent, all matters on file were continued until the next legislative day.

ADJOURNMENT

At 11.05 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 12 m., Monday, May 5, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

FIFTY-NINTH LEGISLATIVE DAY
ONE HUNDRED THIRTEENTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Monday, May 5, 1947

The Assembly met at 12 m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sherwin, Silliman, Stanley, Stephenson, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—76.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

O Father of Mercies, from whom cometh all that is good, I offer my humble petitions unto Thee through Thy dearly beloved Son, in whom Thou art always well pleased; vouchsafe to grant me the grace of a lively faith, a firm hope and an ardent love toward Thee and toward my neighbor. Grant me also the grace to be truly penitent for all my sins and to firmly purpose never to offend Thee again: That so I may be enabled to live always according to Thy will in all things with a generous and willing heart, and to persevere in Thy love even to the end of my life—AMEN.

PLEDGE OF ALLEGIANCE TO THE FLAG

Upon request of the Speaker, the Assembly gave the pledge of allegiance to the Flag.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Luckel, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following members were granted leaves of absence for the day, because of legislative business elsewhere:

Mr. Stewart, on motion of Mr. Dickey.

Mr. Boyd, on motion of Mr. Dickey.

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following resolution was offered:

Assembly Concurrent Resolution No. 3: By Mr. Sam L. Collins—Relative to adequate highway legislation.

Referred to Committee on Rules.

Rush Order Placed on Printing of Assembly Concurrent Resolution No. 3

By order of Speaker Collins, a rush order was placed on the printing of Assembly Concurrent Resolution No. 3.

REPORTS OF STANDING COMMITTEES

Committee on Rules

ASSEMBLY CHAMBER, SACRAMENTO, May 1, 1947

MR. SPEAKER: Your Committee on Rules, to which was referred:

Assembly Concurrent Resolution No. 2

Has had the same under consideration, and reports the same back with amendments with the recommendation: Amend, and be adopted, as amended.

DICKEY, Chairman

Above reported resolution ordered engrossed.

CONSIDERATION OF DAILY FILE

THIRD READING OF ASSEMBLY BILLS

Assembly Bill No. 18—An act to add Section 512 to the Streets and Highways Code, relating to state highways.

Bill read third time.

Motion to Amend

Mr. Hinckley moved the adoption of the following amendment:

Amendment No. 1

On page 1 of the printed bill, strike out lines 3 and 4, and insert

"512. Route 212 is from the Arizona-California State line near Needles to Morro Bay via".

Amendment read.

The roll was called, and the amendment refused adoption by the following vote:

AYES—Burns, Collier, Cooke, Lester T. Davis, Dunn, Erwin, Fletcher, Grant, Hinckley, Hinton, Price, Thomas, Wollenberg, and Mr. Speaker—14.

NOES—Allen, Brown, Burke, Caldecott, Carey, George D. Collins, Conrad, Cramer, Crichton, Crowley, Dickey, Clayton A. Dills, Ralph C. Dills, Elliott, Evans, Field, Gannon, Grunsky, Hahn, Heisinger, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Robertson, Silliman, Stanley, Stephenson, Thompson, and Thurman—41.

Further Consideration of Amendments to Assembly Bill No. 18
Motion to Amend

Messrs. Crowley and Miller moved the adoption of the following amendments:

Amendment No. 1

Strike out line 1 of the title of the printed bill, and insert

"An act to amend Sections 374 and 375 of, and to add Section 512 to, the Streets and Highways Code,".

PRINTER'S NOTE—There being no 7-point strikeout type available, the material which should appear in strikeout type in the following amendment is indicated by being enclosed within brackets.

Amendment No. 2

On page 1 of said bill, strike out lines 1 and 2, and insert

"SECTION 1. Section 374 of the Streets and Highways Code is amended to read:

374. Route 74 is from:

(a) A point on Route 8 near the Napa Y to Route 7 near Cordelia via Vallejo and Benicia including a connection from Vallejo to Route 7 near the Carquinez Bridge.

(b) Benicia to the wharf of the Benicia-Martinez Ferry.

SEC. 2. Section 375 of said code is amended to read:

375. Route 75 is from.

(a) Oakland to Route 5 near Stockton via Walnut Creek and Antioch.

(b) A point near Concord to the trestle approach of the Martinez-Benicia Ferry

[(b)] *(c)* Route 4 near Stockton via Copperopolis to Route 65 near Altaville

SEC. 3. Section 512 is added to said code, to read:".

Amendments read.

The roll was called, and the amendments adopted by the following vote:

AYES—Allen, Bennett, Berry, Brown, Burns, Caldecott, Carey, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, Debs, Clayton A. Dills, Ralph C. Dills, Doyle, Dunn, Elliott, Evans, Gaffney, Gannon, Grant, Grunsky, Hahn, Heisinger, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, Miller, Niehouse, O'Day, Robertson, Stephenson, Thomas, Thompson, Thurman, Wollenberg, and Mr Speaker—46.

NOES—Burke, Collier, George D. Collins, Conrad, Dickey, Erwin, Field, Hinckley, Hinton, Price, Sherwin, Sillman, Stanley, and Thorp—14

ALL MATTERS ON FILE CONTINUED

By unanimous consent, all matters on file will be continued until the next legislative day.

ADJOURNMENT

At 12.10 p.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11 a.m., Tuesday, May 6, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

SIXTIETH LEGISLATIVE DAY
ONE HUNDRED FOURTEENTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Tuesday, May 6, 1947

The Assembly met at 11 a.m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, Price, Robertson, Rosenthal, Sheridan, Shelwin, Silliman, Stanley, Stephenson, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—77.

Quorum present.

PRAYER

Upon invitation of the Speaker, the following prayer was offered by Assemblyman Walter Hinton:

Almighty God, Judge of Men and Nations, we ask Thee to guide us in this meeting and in all our days. We pray Thy blessing this morning, upon all of the men and women throughout our State and Nation who serve the people and guide the public welfare. May they walk in justice before Thee and may their acts redound to the broader benefit of all of our people. In Thy name we pray—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Luckel, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of legislative business elsewhere:

Mr. Stewart, on motion of Mr. Dickey.

The following members were granted leaves of absence for the day, and desired to waive their per diems:

Mr. Caldecott, on motion of Mr Dickey.

Mr. O'Day, on motion of Mr. Dickey.

RESOLUTIONS

The following resolution was offered:

By Mr. Dickey:

House Resolution No. 46

Resolved by the Assembly of the State of California, That the Controller be and he is hereby directed to draw his warrant upon the Contingent Fund of the Assembly in favor of the Chief Clerk of the Assembly, and the State Treasurer is hereby directed to pay the same, in the amount of two thousand dollars ($2,000), said amount being for the purchase of postage stamps to be used by Members of the Assembly for official mail; and be it further

Resolved, That the Chief Clerk be and he is hereby directed to purchase postage stamps in such amounts and denominations, not exceeding two thousand dollars ($2,000) in the aggregate, as shall be necessary for the use of the Members of the Assembly for official mail; and be it further

Resolved, That the amount of stamps requisitioned by any one Member of the Assembly for official mail shall not exceed the sum of twenty-five dollars ($25).

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 46, at this time, without reference to committee or file.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Clayton A Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, Price, Robertson, Rosenthal, Sherwin, Silliman, Stanley, Stephenson, Thomas, Thompson, Thorp, Thurman, Weber, and Mr Speaker—68.

NOES—None.

MOTION TO APPROVE JOURNALS

Upon motion of Mr Dickey, the Journals for Monday, April 28, 1947; Thursday, May 1, 1947; and Friday, May 2, 1947, were approved as corrected by the Minute Clerk.

REPORTS OF STANDING COMMITTEES

Committee on Rules

ASSEMBLY CHAMBER, SACRAMENTO, May 6, 1947

MR. SPEAKER: Your Committee on Rules, to which was referred:

Assembly Concurrent Resolution No. 3

Has had the same under consideration, and reports the same back with the recommendation: Be adopted.

DICKEY, Chairman

Above reported resolution ordered engrossed.

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, May 6, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:

Assembly Concurrent Resolution No. 3

And reports the same correctly engrossed.

WEBER, Chairman

Above reported resolution ordered on file for adoption.

ASSEMBLY CHAMBER, SACRAMENTO, May 6, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:

Assembly Bill No. 18

And reports the same correctly re-engrossed.

WEBER, Chairman

Above reported bill ordered to third reading.

Hon. Randal F. Dickey Presiding

At 11:15 a.m., Hon. Randal F. Dickey, Member of the Assembly from the Fourteenth District, presiding.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, May 6, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate on this day adopted:

Senate Concurrent Resolution No. 3

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

FIRST READING AND REFERENCE OF SENATE BILLS

The following resolution was read:

Senate Concurrent Resolution No. 3—Relative to adequate highway legislation.

Referred to Committee on Rules.

REPORTS OF STANDING COMMITTEES

Committee on Rules

ASSEMBLY CHAMBER, SACRAMENTO, May 6, 1947

MR. SPEAKER: Your Committee on Rules, to which was referred:

Senate Concurrent Resolution No. 3

Has had the same under consideration, and reports the same back with the recommendation: Be adopted

DICKEY, Chairman

Above reported resolution ordered on file for adoption.

CONSIDERATION OF SENATE CONCURRENT RESOLUTION NO. 3 BY UNANIMOUS CONSENT

Senate Concurrent Resolution No. 3—Relative to adequate highway legislation.

Resolution read.

Demand for Previous Question

Messrs. Thurman, Luckel, Debs, Lyons, and Collier demanded the previous question.

Demand for previous question sustained.

The question being on the adoption of Senate Concurrent Resolution No. 3

The roll was called, and the resolution adopted by the following vote:

AYES—Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, Debs, Dickey, Clayton A. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister,

McMillan, Miller, Niehouse, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Thomas, Thompson, Thorp, Thurman, Waters, Weber, and Mr. Speaker—72

NOES—M. Philip Davis and Ralph C. Dills—2

Resolution ordered transmitted to the Senate.

Speaker Presiding

At 11.36 a.m., Hon. Sam L. Collins, Speaker of the Assembly, presiding.

ALL MATTERS ON FILE CONTINUED

By unanimous consent, all matters on file will be continued until the next legislative day.

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Messrs. Ralph C. Dills and Clayton A. Dills the privilege of the floor of the Assembly Chamber for this day was unanimously extended to Mr. and Mrs. Earl Dills of Gardena.

ADJOURNMENT

At 11.40 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11 a.m. Wednesday, May 7, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

SIXTY-FIRST LEGISLATIVE DAY
ONE HUNDRED FIFTEENTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Wednesday, May 7, 1947

The Assembly met at 11 a.m.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—78.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

O God of Hosts, the whole of whom is the best, implant in our hearts the love of Thy name, and grant us an increase of religion; by promoting that which is good, and by Thy watchful care, guard that which Thou hast promoted, through Christ Our Lord—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Price, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. Lester T. Davis, on motion of Mr. Dickey.

The following member was granted leave of absence for the day, because of legislative business elsewhere:

Mr. Rosenthal, on motion of Mr. Dickey.

CONSIDERATION OF DAILY FILE
SECOND READING OF ASSEMBLY BILLS

Assembly Concurrent Resolution No. 2—Relative to adjournment sine die of the Fifty-seventh (First Extraordinary) Session of the Legislature of the State of California.

Resolution read second time, and ordered engrossed.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, May 6, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate amended, and on this day passed, as amended:

Assembly Bill No. 41

And respectfully requests your honorable body to concur in said amendments.

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

Above bill ordered to unfinished business file.

CONSIDERATION OF DAILY FILE (RESUMED)
THIRD READING OF ASSEMBLY BILLS

Assembly Bill No. 18—An act to add Section 512 to the Streets and Highways Code, relating to state highways.

Bill read third time.

The roll was called, and the bill passed by the following vote:

AYES—Beck, Berry, Blosser, Brown, Burke, Caldecott, Carey, George D. Collins, Cramer, Crichton, Crowley, Dickey, Clayton A. Dills, Dolwig, Doyle, Dunn, Erwin, Field, Gaffney, Gannon, Geddes, Grunsky, Heisinger, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Loomis, Lowrey, Luckel, Miller, Niehouse, O'Day, Robertson, Silliman, Stanley, Stephenson, Thomas, Thurman, and Weber—41.

NOES—Anderson, Burns, Butters, Collier, Cooke, M. Philip Davis, Elliott, Fletcher, Grant, Hahn, Hawkins, Hinckley, Hinton, Knight, Lyons, Maloney, Price, Sheridan, Sherwin, Thorp, Wollenberg, and Mr. Speaker—22.

Notice of Motion to Reconsider Assembly Bill No. 18

Mr. Hinckley gave notice that on the next legislative day he would move to reconsider the vote whereby Assembly Bill No. 18 was this day passed.

ALL MATTERS ON FILE CONTINUED

By unanimous consent, all matters on file will be continued until the next legislative day.

ANNOUNCEMENT OF COMMITTEE APPOINTMENTS

Pursuant to the provisions of Senate Concurrent Resolution No. 3, Speaker Collins announced the appointment of Messrs. McCollister, Hollibaugh, Geddes, Dunn, and Crichton as members of said Joint Highway Committee.

REPORTS OF STANDING COMMITTEES

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, May 7, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:

Assembly Concurrent Resolution No. 2

And reports the same correctly engrossed.

WEBER, Chairman

Above reported resolution ordered on file for adoption.

ANNOUNCEMENT OF COMMITTEE MEETINGS

Mr. McCollister announced that a meeting will be held of the Special Joint Highway Committee, composed of five Senators, and five Assemblymen, tomorrow, at 5 p.m., in Room 415, for the purpose of organization. The Press is invited to attend.

ADJOURNMENT

At 11.05 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11 a.m., Friday, May 9, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE

FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

SIXTY-SECOND LEGISLATIVE DAY

ONE HUNDRED SEVENTEENTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO

Friday, May 9, 1947

The Assembly met at 11 a.m.

Hon. Julian Beck, Member of the Assembly from the Forty-first District, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cramer, Crichton, Crowley, Lester T. Davis, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinton, Hollibaugh, Huyck, James, Johnson, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stephenson, Stewart, Thomas, Thompson, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—72.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

To the King of Ages, immortal and invisible, the only God, be honor and glory forever. Glory be to the Father, and to the Son, and to the Holy Ghost, as it was in the beginning, is now and ever shall be, world without end—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Field, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. Thorp, on motion of Mr. Clark.

The following member was granted leave of absence for the day, because of legislative business elsewhere:

Mr. Cooke, on motion of Mr. Dickey.

The following member was granted leave of absence for the day, and desired to waive his per diem:

Mr. Debs, on motion of Mr. Dickey.

REPORTS OF STANDING COMMITTEES

Committee on Governmental Efficiency and Economy

ASSEMBLY CHAMBER, SACRAMENTO, May 8, 1947

MR. SPEAKER: Your Committee on Governmental Efficiency and Economy, to which was referred:

Senate Bill No. 3

Has had the same under consideration, and reports the same back with amendments with the recommendation: Amend, and re-refer to the committee.

FIELD, Chairman

Above reported bill ordered to second reading.

CONSIDERATION OF DAILY FILE

UNFINISHED BUSINESS

NOTICE OF MOTION TO RECONSIDER ASSEMBLY BILL NO. 38 WAIVED

Mr. James, on behalf of Mr. Hinckley, waived Mr. Hinckley's notice of motion to reconsider the vote whereby Assembly Bill No. 38 was passed.

Assembly Bill No. 38 ordered transmitted to the Senate.

CONSIDERATION OF SENATE AMENDMENTS

Assembly Bill No. 41—An act to provide for the recruiting and training of additional members of the California Highway Patrol, and declaring the urgency thereof, to take effect immediately.

The question being: Shall the Assembly concur in the following Senate amendments to Assembly Bill No. 41?

Amendment No. 1

In lines 2 and 3 of the title of the printed bill, strike out "making an appropriation therefor,".

Amendment No. 2

On page 1, line 7, of the printed bill, strike out "fifty (50)", and insert "sixty (60)".

Amendment No. 3

On page 1 of the printed bill, strike out lines 10 to 13, inclusive.

Amendment No. 4

On page 1, line 14, of the printed bill, strike out "3", and insert "2".

The roll was called, and the Assembly concurred in Senate amendments to Assembly Bill No. 41 by the following vote:

AYES—Allen, Anderson, Beck, Bennett, Berry, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Clarke, Collier, George D. Collins, Conrad, Cramer, Crichton, Crowley, Lester T. Davis, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Dunn, Elliott, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Hinton, Huyck, James, Johnson, Kirkwood, Loomis, Lowrey, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Robertson, Sheridan, Silliman, Stephenson, Stewart, Thomas, Thompson, Thurman, Waters, Weber, and Wollenberg—61.

NOES—None.

Assembly Bill No. 41 ordered enrolled.

ALL MATTERS ON FILE CONTINUED

By unanimous consent, all matters on file were continued until the next legislative day.

ADJOURNMENT

At 11.10 a.m., on motion of Mr Dickey, the Speaker declared the Assembly adjourned until 12 m., Monday, May 12, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

SIXTY-THIRD LEGISLATIVE DAY
ONE HUNDRED TWENTIETH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Monday, May 12, 1947

The Assembly met at 12 m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Dickey, Clayton A. Dills, Dolwig, Doyle, Dunn, Elliott, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Niehouse, O'Day, Price, Robertson, Rosenthal, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—74.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

O God, the protector of all who hope in Thee, without whom nothing is strong, nothing is holy, multiply Thy mercy upon us, that with Thee as ruler and leader, we may so pass through the good things of the present time, so as not to lose those which are eternal, through Christ Our Lord—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Collier, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following members were granted leaves of absence for the day, because of illness:

Mr. Erwin, on motion of Mr. Dickey.
Mr. Miller, on motion of Mr. Dickey.

The following member was granted leave of absence for the day, because of legislative business elsewhere:

Mr Ralph C. Dills, on motion of Mr. Dickey.

The following member was granted leave of absence for the day, and desired to waive his per diem:

Mr. Debs, on motion of Mr. Dickey.

PLEDGE OF ALLEGIANCE TO THE FLAG

Upon request of the Speaker, the Assembly gave the pledge of allegiance to the Flag.

MOTION TO APPROVE JOURNALS

Upon motion of Mr Dickey, the Journals for Monday, May 5, 1947; Tuesday, May 6, 1947; Wednesday, May 7, 1947; and Friday, May 9, 1947, were approved as corrected by the Minute Clerk.

CONSIDERATION OF DAILY FILE

SECOND READING OF SENATE BILLS

Senate Bill No. 3—An act to amend Sections 102, 108, and 128 of, to add Division 2A, comprising Sections 139 to 139.61, inclusive to, and to repeal Sections 111, 113, 116, 117, 119, 120, 121, 122, 123, 124, 124.2, 125, 126, 135, 135.5, 135.8, 486, and 489 of, the Vehicle Code, providing for the reorganization of the California Highway Patrol, abolishing the Division of Enforcement of the Department of Motor Vehicles, establishing a Department of Highway Patrol and Safety and prescribing its powers, duties, purposes, and functions, providing for the transfer of records and property; and to make available money for the support of said department.

Bill read second time.

Consideration of Committee Amendments

The following amendments were proposed by the Committee on Governmental Efficiency and Economy:

Amendment No. 1

In line 4 of the title of the printed bill, as amended in the Assembly on April 14, 1947, after "135.8," insert "484,".

Amendment No. 2

On page 3, line 6, of said bill, before "Highway", insert "California".

Amendment No. 3

On page 3, line 17, of said bill, after "Governor", insert ", and shall have resided within the State continuously for at least five years immediately preceding his appointment".

PRINTER'S NOTE—There being no 7-point strikeout type available, the material which should appear in strikeout type in the following amendment is indicated by being enclosed within brackets.

Amendment No. 4

On page 4, lines 30 to 34, Section 139.31 is amended to read:

"139.31 Training school [may] *to* be established. The commissioner [may] *shall* establish a school for the training and education of the [traffic] *members of the California Highway* Patrol, *and for such other employees of the department deemed necessary,* in traffic regulations, their duties, and the proper enforcement of this code and the laws respecting use of the highways. *He may contract with any county, city, district, or other subdivision of the State recognized by law for the use of school facilities in the training of enforcement officers.*"

Amendment No. 5

On page 7, line 14, of said bill, strike out "of the department".

Amendment No. 6

On page 7, line 20, of said bill, strike out "traffic"; and after "patrol", insert "members".

Amendment No. 7

On page 7, line 21, of said bill, strike out "employees".

Amendment No. 8

On page 7, line 22, of said bill, strike out "employees", and insert "members".

Amendment No. 9

On page 7, line 36, of said bill, strike out "and acting".

Amendment No. 10

On page 7, line 37, of said bill, strike out "of the department".

Amendment No. 11

On page 7 of said bill, between lines 37 and 38, insert

"139.60 Examination Age Limits Established. Notwithstanding Section 18932 of the Government Code, the minimum age limit for any examination for the position of state traffic officer of the California Highway Patrol shall be 21 years, and the maximum age limit shall be 35 years. The age limits set forth herein shall not affect civil service eligible lists in effect at the time this statute becomes effective."

Amendment No. 12

On page 7, line 40, of said bill, strike out "of the department".

Amendment No. 13

On page 8, line 23, of said bill, insert

"SEC. 6 1. That portion of any appropriation made prior to the effective date of this act for the support of the Division of Enforcement of the Department of Motor Vehicles, known as the California Highway Patrol intended to be used and available for the performance of the duties, powers, purposes, responsibilities or jurisdiction of said Division of Enforcement shall, by the State Controller, be transferred to, and the same shall become a part of, the funds available for the support of the Department of Highway Patrol and Safety."

Amendment No. 14

On page 3 of said bill, strike out lines 35, 36, and, in line 37, "known as the Chief of the California Highway Patrol," and insert "139 14 Administrative Officer of the California Highway Patrol. There shall be a Chief Administrative Officer for the department,".

Amendment No. 15

On page 3 of said bill, strike out lines 45 to 49, inclusive, and insert

"139.15. Chief of the California Highway Patrol The Chief of the California Highway Patrol shall be appointed by the commissioner, subject to the approval of the Governor, pursuant to the provisions of Article XXIV of the State Constitution. He shall execute and deliver as provided by law an official bond in the sum of twenty-five thousand dollars ($25,000)."

Amendment No. 16

On page 3 of said bill, after line 49, insert

"139.16. Duties of Chief of the California Highway Patrol. The chief shall carry out and execute such duties with respect to traffic law enforcement as may be specified by the commissioner."

Amendment No. 17

On page 6 of said bill, strike out lines 41 to 44, inclusive, and insert "to the classes of chief, assistant chief, inspector, captain, and sergeant shall be made from promotional eligible lists resulting from promotional examination of persons in the next lower class. For the purposes of examinations for chief, the classes of assistant chief and inspector shall be considered equal."

Amendments read, and adopted.

Bill ordered reprinted, and to third reading.

MATTERS CONTINUED ON FILE

By unanimous consent, all matters on file will be continued until the next legislative day.

ADJOURNMENT

At 12.10 p.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11 a m., Wednesday, May 14, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

SIXTY-FOURTH LEGISLATIVE DAY
ONE HUNDRED TWENTY-SECOND CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Wednesday, May 14, 1947

The Assembly met at 11 a.m.

Hon. Thomas A. Maloney, Speaker pro Tempore of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hollibaugh, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—75.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

We pray Thee, O God of Might, Wisdom and Justice, through whom authority is rightly administered, laws are enacted, and judgment decreed, assist with Thy Holy Spirit of counsel and fortitude the governor of this state and the members of this assembly that they may ever frame laws for the general good of the state and for Thy honor and glory—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Hahn, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following members were granted leaves of absence for the day, because of illness:

Mr. Miller, by unanimous consent.

Mr. Erwin, by unanimous consent

Mr. Burke, by unanimous consent.

The following member was granted leave of absence for the day, because of legislative business elsewhere:

Mr. Huyck, by unanimous consent.

The following member was granted leave of absence for the day, because of a death in his family:

Mr. Hinton, by unanimous consent.

REPORTS OF STANDING COMMITTEES

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, May 12, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:

Assembly Bill No. 41—An act to provide for the recruiting and training of additional members of the California Highway Patrol, and declaring the urgency thereof, to take effect immediately;

And reports that the same has been correctly enrolled, and presented to the Governor on the twelfth day of May, 1947, at 12.30 p m

WEBER, *Chairman*

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, May 12, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate on this day passed.

Senate Bill No. 36.

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

FIRST READING AND REFERENCE OF SENATE BILLS

The following bill was read the first time:

Senate Bill No. 36—An act making an additional appropriation for legislative printing, binding, etc., to take effect immediately.

Resolution to Suspend Constitutional Provision

The following resolution was offered:

By Mr. Dickey:

Resolved, That Senate Bill No. 36 presents a case of urgency, as that term is used in Article IV, Section 15, of the Constitution, and the provision of that section requiring that the bill be read on three several days in each house is hereby dispensed with, and it is ordered that said bill be read the second and third times, and placed upon its passage.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Allen, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burns, Butters, Caldecott, Carey, Clarke, Collier, Conrad, Cooke, Cramer, Crichton, Crowley, M. Philip Davis, Debs, Dickey, Dolwig, Doyle, Dunn, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Hahn, Heisinger, Hollibaugh, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Niehouse, O'Day, Sheridan, Sherwin, Silliman, Stephenson, Stewart, Thomas, Thompson, Thurman, Waters, Weber, and Wollenberg—58.

NOES—None.

Article IV, Section 15, of the Constitution was declared suspended.

CONSIDERATION OF SENATE BILL NO. 36

Senate Bill No. 36—An act making an additional appropriation for legislative printing, binding, etc. to take effect immediately.

Bill read second time.

Senate Bill No. 36—An act making an additional appropriation for legislative printing, binding, etc. to take effect immediately.

Bill read third time.

The roll was called, and the bill passed by the following vote:

AYES—Allen, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burns, Butters, Caldecott, Carey, Clarke, Collier, Conrad, Cooke, Cramer, Crichton, Crowley, M. Philip Davis, Debs, Dickey, Dolwig, Doyle, Dunn, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Hahn, Heisinger, Hollibaugh, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Niehouse, O'Day, Sheridan, Sherwin, Sillman, Stephenson, Stewart, Thomas, Thompson, Thurman, Waters, Weber, and Wollenberg—58.

NOES—None.

Bill ordered transmitted to the Senate.

RE-REFERENCE OF BILLS

By order of the Speaker, the following bill was withdrawn from the file, and re-referred as follows:

Senate Bill No. 3 re-referred to Committee on Governmental Efficiency and Economy.

COMMUNICATIONS

By the Chief Clerk:

A communication from Mrs. J. N. Gillett, Jr., relative to the state highway program, was received, and ordered referred to the Committee on Rules.

MATTERS ON FILE CONTINUED

By unanimous consent, all notices of motion of reconsideration, which are not taken up today, will be continued until the next legislative day.

ADJOURNMENT

At 11.05 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11 a.m., Friday, May 16, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

SIXTY-FIFTH LEGISLATIVE DAY
ONE HUNDRED TWENTY-FOURTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Friday, May 16, 1947

The Assembly met at 11 a.m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Caldecott, Carey, Clarke, Collier, George D Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Maloney, McCollister, McMillan, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—74.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

Anticipate, we beseech Thee, O Lord, our actions by Thy inspirations, and further them by Thy continual help; that every word and work of ours may always begin from Thee, and through Thee be likewise ended, through Christ Our Lord—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Berry, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following members were granted leaves of absence for the day, because of illness:

Mr. Miller, by unanimous consent.
Mr. Butters, on motion of Mr. Cooke.

The following members were granted leaves of absence for the day, because of legislative business elsewhere:

Mr. Lyons, by unanimous consent.

Mr. Fletcher, by unanimous consent.

The following member was granted leave of absence for the day, and desired to waive his per diem:

Mr. Field, by unanimous consent.

RESOLUTIONS

The following resolution was offered:

By Mr. Dickey:

House Resolution No. 47

Resolved, That each and every attache heretofore employed in the Assembly during this First Extraordinary Session of the Legislature be and he is hereby stricken from the pay roll upon completion of work on Tuesday, May 13, 1947; and be it further

Resolved, That the following named persons be and they are hereby appointed to the positions hereinafter set forth, with the compensation set opposite their names, payable weekly, and the Controller is hereby authorized and directed to draw his warrants in favor of the respective persons for the said respective amounts, and the Treasurer is hereby authorized and directed to pay the same, said compensation to be on a seven-day week basis

Commencing Wednesday, May 14, 1947:	*Per day*
Chief Clerk, Arthur A Ohnimus	$7 00
First Assistant Clerk, Harold F Lewright	6 00
Minute Clerk, Geraldine B. Hadsell	6 00
Assistant Minute Clerk, Lillian Slater	4 00
Chaplain, Rev Raymond Renwald	3 00
Sergeant-at-Arms, Wilkie Ogg	6 00
History Clerk, Ethel E Brockelbank	4 00
File Clerk, Ruth Riley	4 00
Engrossing-Enrolling Clerk, Charles W Robbins	4 00
Journal Clerk, Walter Feeley	4 00
Assistant Journal Clerk, Florence Harvey	4 00
Secretary to Speaker, Irene Anderson	4 00
Secretary to Chief Clerk, Dolly Smith	4 00
Assistant Clerk, Robert J Emmie	4 00
Assistant Clerk Carroll Parish	4 00
Assistant Clerk, Randal F Dickey, Jr	4 00
Assistant Clerk, C William Queale	4 00
Chief Stenographer, Juanita Dependener	4 00
Bookkeeper to Sergeant-at-Arms, Elizabeth Marty	4 00
Assistant History Clerk, Virginia Hartong	4 00
Assistant Engrossing-Enrolling Clerk, Marion Hendricks	4 00
Sound Technician, James Doyle	5 00

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 47, at this time, without reference to committee or file.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Beck, Bennett, Berry, Blosser, Brown, Burke, Burns, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T Davis, M. Philip Davis, Debs, Dickey, Clayton A Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Gaffney, Gannon, Geddes, Hahn, Heisinger, Hinckley, Hinton, Hollabaugh, Huyck, Johnson, Kilpatrick, Loomis, Lowrey, Luckel, Maloney, McCollister, McMillan, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Stanley, Stephenson, Thomas, Thompson, Thorp, Thurman, Waters, Weber, and Mr Speaker—62

NOES—None

ALL MATTERS ON FILE CONTINUED

By unanimous consent, all matters on file will be continued until the next legislative day.

ADJOURNMENT

At 11.10 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 12 m., Monday, May 19, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE

FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

SIXTY-SIXTH LEGISLATIVE DAY

ONE HUNDRED TWENTY-SEVENTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO

Monday, May 19, 1947

The Assembly met at 12 m.

Hon. Sam L Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sherwin, Sillman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Waters, Weber, Wollenberg, and Mr. Speaker—75.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

Praise the Lord, all ye nations and glorify Him, all ye peoples, for His mercy is confirmed upon us and the faithfulness of the Lord remains forever. Glory be to the Father, and to the Son and to the Holy Ghost, as it was in the beginning, is now, and ever shall be, world without end—AMEN.

PLEDGE OF ALLEGIANCE TO THE FLAG

Upon request of the Speaker, the Assembly gave the pledge of allegiance to the Flag.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Brady, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of legislative business elsewhere:

Mr. Johnson, on motion of Mr. Dickey.

The following members were granted leaves of absence for the day, and desired to waive their per diems:

Mr. Field, on motion of Mr. Dickey.
Mr. Boyd, on motion of Mr. Dickey.
Mr. Thurman, on motion of Mr. Dickey.

MOTION TO APPROVE JOURNALS

Upon motion of Mr. Dickey, the Journals for Monday, May 12, 1947; Wednesday, May 14, 1947; and Friday, May 16, 1947, were approved, as corrected by the Minute Clerk.

MEMBERS EXCUSED

At 12.04 p.m., Mr. Dunn asked for, and was granted, unanimous consent that the Committee on Education be excused, at this time, for the purpose of holding a meeting in the post office.

MATTERS ON FILE CONTINUED

By unanimous consent, all matters on file will be continued until the next legislative day.

REQUEST FOR UNANIMOUS CONSENT THAT TWELFTH TRANSCRIPT RELATIVE TO STATE HIGHWAY SYSTEM BE ORDERED PRINTED IN JOURNAL

Mr. Hollibaugh asked for, and was granted, unanimous consent that the following twelfth transcript, taken at a hearing before the Committee on Revenue and Taxation, on the California State Highway System, be ordered printed in the Journal, in 10-point type:

HEARING BEFORE THE COMMITTEE ON REVENUE AND TAXATION ON THE CALIFORNIA STATE HIGHWAY SYSTEM

Assembly Chamber, State Capitol
Sacramento, California

BOOK X

Monday, March 17, 1947, 2.15 p.m.

CHAIRMAN HOLLIBAUGH: The meeting will come to order. We will now call the roll of the Assembly Revenue and Taxation Committee.

(Roll call was thereupon had.)

There is a quorum present.

ASSEMBLYMAN GEDDES: I would like to ask the chairman of the commission to withdraw at the hour of 2.30 as I have before Ways and

Means Assembly Bill No. 37 appropriating $70,000,000 to the State Highway Division. I think that it has distinct bearing on this bill and on the whole subject matter, particularly if the move is followed through, which will bring Senate Bill No. 5 to the floor several days from now. I therefore ask that I may be excused at that time, and I will return just as quickly as I can get a hearing.

CHAIRMAN HOLLIBAUGH: You may.

ASSEMBLYMAN CONRAD: May I be excused at 3 o'clock to present a bill to the Crime and Corrections Committee?

ASSEMBLYMAN KIRKWOOD: I am in the same position as Mr. Geddes. I have a bill coming up and I will ask that I be excused.

CHAIRMAN HOLLIBAUGH: Yes; you men will return after you have completed that.

Members of the committee and other Members of the Legislature, this bill was called today by the Revenue and Taxation Committee in consideration of Senate Bill No. 5 and particularly to hear from Senator Randolph Collier, who is author of the bill, and other members of the Senate who are interested in it. It has been requested that the members of the committee present sit up here on the speaker's platform with me. If you have any objection, however, you can use your own discretion on it. However, we have provided microphones down here on the floor for those who wish to speak to come up and use them.

For the benefit of those of you who have not been here before, the procedure has been to permit the speakers to deliver their addresses before any questions are asked, unless the speaker desires questioning during his talk. After he completes his presentation, the members of the committee are then permitted to question him. After the members of the committee have completed their questioning, then other Members of the Assembly are permitted to question. I would like to have as many of you members remain here today as possible, because Senator Collier and other Members of the Senate have spent many many hours and many weeks and months on this program. They are all deeply interested in it, and I think we owe them the respect of staying here and tentatively hearing what they have to tell us about the bill today.

Now to start with, Senator Collier is going to make some introductory remarks. We will not take time to ask him questions after his first introduction, but he will be followed then by Senator Carter who will explain the legal phases of the bill. Later Senator Collier will be available for questioning. Isn't that right, Senator?

SENATOR COLLIER: Yes.

CHAIRMAN HOLLIBAUGH: And if there is no further questioning we will proceed. Senator, you may have the floor.

SENATOR COLLIER: Thank you, Assemblyman Hollibaugh and gentlemen of the committee. I think it is proper that we give some historical background to the committee work for the reason that in 1945 the Legislature created a joint committee to study the highway problems of California. I think when the Legislature appropriated the huge sum of money that it did, it felt that there was need for study of this kind, and that the highways of California had gotten into such a state that something had to be done by the Legislature to correct the situation in California if California as a State was to grow economically and the social life should prevail.

From the Assembly side, the Speaker, then Assemblyman Lyon, who, by virtue of the resolution, became a member of the committee, appointed Assemblyman Burns, Assemblyman Charles Stream, who did not return; Assemblyman Frank Waters, who also did not return; Bernard Sheridan of Alameda County; Gerald Haggerty of San Francisco, who did not return; and Mr. Don Field, Assemblyman from Los Angeles County. While on the Senate side, Senator McCormack, who is Chairman of the Senate Committee on Transportation, was a member; Senator McBride, Senator Hatfield, and Senator Ben Hulse. Senator Seawell, now a member of the Board of Equalization, who was President pro Tempore of the Senate, became a member by virtue of the resolution, and he is now succeeded in this position by Senator Powers, who is President pro Tempore of the Senate; and also Senator Tenney of Los Angeles County.

This interim committee went out through the State of California with the idea of getting together the facts and information and data necessary to report to the Legislature of California what were the highway, roads, and streets problems of this great State. Now this committee went out, not on its own, but this committee went out by resolution of both houses and was directed to get this information together and to present to this Legislature at a date certain. This committee was not a committee in its own right in the sense that it was its own boss, but this committee went out as your servant to do a job for all of you and all the people of California, which this committee tried sincerely to make a determined effort to accomplish. And after some 60 hearings throughout the State of California, the committee in visiting practically every portion of the State, practically every village and hamlet and city of any size, has presented to you in several series its report and the reports of its staff in several volumes.

And the committee came to the conclusion after hearing the people of California—and I might say the committee in all its hearings was very definite in explaining to the people of California, after the people themselves made it known to the committee about five billion dollars of wants, that if they were to get that or any portion of those things that they believed needed, absolutely needed, for the welfare and growth of their community; that the people of California would have to put up the money in one shape or form or another. The committee did not attempt to fool the people, and I think by the straightforwardness of the committee, the committee won the respect of the people in California that had a chance to visit with them and to appear before them And the people of California went away from those hearings believing, in my humble opinion, that here was an interim committee of the Legislature really sincerely trying to do something for the people. And when they were told that it would necessitate an increase in highway users taxes such as the increase in the gas tax, such as increase in truck taxes, license fees, and all other kind of taxes; it is my opinion that the people themselves are willing, regardless of what else you may believe when you talk to them and explain to them what is required; that the people of California are ready and willing and are expecting this Legislature to do something about this problem, and they will foot the bill.

This committee not only had 14 Members of the Legislature, but this committee had some 20 other members who were members of the

advisory council to the committee. This advisory council brought to the committee information and data from all types of industry and business and those who were interested in good roads and this problem. People who today come before you and tell you that they are in favor of good roads but we do not need any more money. It certainly was the opinion of the majority of the members of the committee that if there had been sufficient funds in the highway funds all these years, that the road conditions of California would not be in the deplorable state that they are now in.

This committee tried and did make an over-all study and I think some of the confusion has arose that some do not realize that when we talk of this huge sum of money needed that we are no longer talking about the State Highway System alone, but we are talking about the road plan of the State, and when I refer to the road plan of the State, I mean your city streets and not your major city streets. I mean your county road system and I do not mean your main county roads. And when we refer to the state highway plan, we just do not mean the secondary and primary state system, but we have brought forth a new expression—an expressway system. And why was that expressway system developed? That expressway system was developed believing that the metropolitan areas of this great State would stagnate and die if they did not have some relief in their transportation system. And I want to say further—and some of you may have been further confused by the sums of money from time to time, but you have got to remember that some of these reports came in on a 1941 basis on a 1946 traffic count, and when the author of this measure took it upon himself to add to the State Highway System 67.4 miles of city streets, not county roads, but city streets that are not now part of the highway system. Those 67.4 are the most expensive. Where are those 67.4 miles? Are they in the metropolitan areas of Los Angeles and in the metropolitan areas of San Francisco Bay? They are not in the north back country. They are not in the far reaches of Imperial. But those roads are where the great populations of the State are and where they must have help, because the great cities in the Bay area and the great City of Los Angeles will stagnate and die without their transportation system being taken care of.

Several theories have been developed by the committee, and I think the principles are sound. You can deviate on minor issues as to how the funds should be raised. You can deviate as to estimates, and you can deviate as to what type of taxes should be passed by this Legislature, but you cannot get away from the fundamental principle that this must be an over-all integrated state plan. That it must take care of the county roads and must take care of the city streets and it must take care of the State Highway System, and above all it must take care of those expressways in the metropolitan areas of this State. I think we have tried to do it. And I think we have given a principle that is sound—that the road plan now must be built as an integrated system. It must be an over-all plan, and it must be planned for years to come. Now no one can plan these great expressways, which will take at least three years to plan one of them, unless those who are charged with planning are assured of a definite income for a long time to come, and if you are going to work that way, then this Legislature must make up its mind that it is not planning for today, but is using its best human planning for years to come. If you

work on the further principle that those who use the highways must pay for them and they must be paid on a pay as you go plan, then I say the committee's report is sound in principle, and the committee itself left it up to the Legislature to determine how these funds should be raised.

With this kind of report returned to the Legislature, and which was printed in your Journal, you will find that the report of the committee was in broad principles and that several of the members of the committee were authors of bills that appeared here in this Legislature. These bills at that time were not committee bills, because the committee itself did not put out any bills But they were bills that members of that committee who had the experience from those field trips; those who went the tens of thousands of miles and sat through millions of words spoken by your constituents at sixty some meetings. Those bills were propounded by those legislators who had that vast store of knowledge that you privileged them to receive. The bills went into the Senate Transportation Committee and there after a great deal of discussion the measure came out prior to the recess. It came to the Senate floor, and there with a week and a half discussion in committee as a whole. You now have in this House a bill that was thoroughly gone over by the other house. We have come here today, not to tell you that we have all the answers, or that we are all wrong or all right, but we have come to tell you that we have come over here today, as you can see by the Members of the Senate who are present, we have come over here to tell you that we want to be of help, if we can, to the Assembly of California and give you what information and knowledge we have to try to dispel the clouds that have descended upon this Legislature, and we believe we have the facts and information to disperse those clouds, and you gentlemen will be informed so that you can help to make a program—a highway road program for the people of California for many years to come. Now it is a privilege for us of the Senate to come here, and we have come here today with that thought in mind, that it is our privilege to come to you and explain to you the features of this measure. This measure is not the criteria. This measure is something to be a guide, something to help determine this great matter before the people of California. Now with that thought in mind that we have come to be helpful, I would like, Mr. Chairman, permission to ask Senator Carter to explain the legal features of Senate Bill No. 5. Senator Carter, will you come up here?

CHAIRMAN HOLLIBAUGH: No questions now, later on.

SENATOR CARTER: Mr Chairman and members of the committee, if you will forgive me for the slight touch of laryngitis I have, I will try to be as specific as possible and explain the legal effects, as I understand it, of the provisions of Senate Bill No. 5 insofar as they deal with apportionment features, the systems of county roads and major city streets and all of those features of the bill except those having to do with taxation. Other speakers, or other persons, will present the features of the bill having to do with taxation. I have a general knowledge of the theories involved, but I have not prepared myself with specific information so that I can properly answer all of the questions you might ask. I want to say that I invite questions at any time during my presentation, because I realize that this bill is technical and complicated, and I realize it after making a very careful study of the provisions in the bill. I realize and I want you to realize that this bill represents a number of compromises and

is not the thought of any single person or group of persons but is the collective thinking of a number of persons after much discussion and a number of groups of persons. With that understanding I will proceed and I think the best way to dispose of the matter is to start right at the beginning of the bill.

After passing the title—now you may have some questions on the title, but I think all of those will be resolved in the specific points in the bill. Starting with page 2 which adds a division to the Streets and Highways Code and has to do with the apportionment and expenditure of highway user tax funds, sets up a county primary road system. The theory of Sections 2000 through 2009 is simply this: That in each county there should be set up a primary road system by the board of supervisors, and that then the county road system, both primary and other county highways, should be administered by centralized control of the roads, as distinguished from the present system in many counties of having five separate empires within a county and five different road districts. Specifically the bill provides that the county primary system should be designated by the board of supervisors and that that primary system should not exceed 50 percent of the total maintained mileage. Now the maintained mileage of county roads is determined under the bill by the Department of Public Works with a procedure set up for an appeal by the county to the State Highway Commission in the event that the designation by the Department of Public Works does not accurately designate the number of miles of maintained county roads. The bill also sets up a procedure whereby the county primary road system which is designated by the board of supervisors must be approved by the Department of Public Works. The Department of Public Works has the power of approving in whole or in part, or of rejecting in whole the county primary system, and in that case again, there is an appeal to the Highway Commission.

Now when we get into the allocation features of the bill, the importance of the county primary system and other highways will be seen because a portion of the moneys allocated to the county under this bill must be spent for construction upon the primary system. I might say in passing that most counties have already designated a primary road system in their county. Even the small rural counties, because they have been up against this federal aid secondary system, and that requires a designation, and that change in that respect is not going to be drastic. However, the most drastic change in this portion of the bill probably is in the correction of this centralized road control, which is epitomized in the designation of a single road commissioner in Section 2006 on line 29 of page 2, which provides that prior to July 1st the board of supervisors shall appoint a single road commissioner for all of the road districts in the county. It provides that the road commissioner shall be a registered civil engineer, and if an unregistered person is employed, he must be approved—his qualifications must be approved by the board of supervisors. There are situations that occur in the State where you do not have registered civil engineers in some of the counties, and it would be a physical impossibility to actually fill those requirements of the bill. Then in many cases the county surveyor is not a registered civil engineer, and the bill provides that he may be appointed road commissioner if approved by the board of supervisors. Then there is a provision that the road com-

missioner is at all times under the direction and supervision of the board of supervisors. Now the manner in which the road commissioner operates is Section 2007, in which it is required that the road commissioner shall annually prepare a budget which is submitted to the board of supervisors at the same time the regular county budget is submitted. The board gives the same notice and holds hearings in the same manner that hearings are held on the regular budget and giving an opportunity to citizens and interested parties to come before the board of supervisors and to discuss the budget. That budget can be approved in whole or in part or revised by the board of supervisors.

Then Section 2009 sets up the physical way in which the road commissioner shall operate. In other words, the board determines the general policies, and the road commissioner administers the policies set up by the board of supervisors. He is an employee of the board subject to their control—that is, the control of the majority of the board, and operating under the control of the majority of the board he administers the county roads. That is, administers the county road system within the county. He can hire personnel; lease equipment; subject, however, to the power of the board to fix the compensation or fix the rentals to be paid and have control over all of the financial problems that effect the road system. Then, since this creates a new position in the counties, and it creates—would create a considerable financial burden because this road commissioner in his administration work will be required to do a great deal of the paper work, both as to planning on the roads themselves, and as to meeting the requirements of the bill as to reporting to the State as to how the money is spent and as to what is proposed to be done with the money. We have provided here in Section 2008 that the board of supervisors shall fix his salary and that his salary shall be payable out of the money that is allocated to each county in a later section of the bill, being a sum of $20,000 a year, which is allocated to each county for engineering and that type of work.

Then again when it comes to the city streets, I want to reiterate, if you have any questions, don't hesitate to ask them.

ASSEMBLYMAN THOMAS. You mentioned that the budget report is to be made to the State just a moment ago. Are you inferring that that report goes to the Department of Highways?

SENATOR CARTER. No, the county board of supervisors first of all. That is a budget prepared for the board of supervisors that is passed on by the board of supervisors. Then, in addition to that, there are reports that have to be made to the State. I refer you to Section 2150 through 2154 and 2155 on pages 7 and 8, Mr. Thomas, which sets up accounting reports and audits, and that is what I was referring to.

ASSEMBLYMAN THOMAS. It is not a report to the Legislature?

SENATOR CARTER. No, then the Controller and the Division of Highways make a report to the Legislature.

ASSEMBLYMAN THOMAS. What I am trying to get at, Senator, is this. Will there be any way to have the budget put in the budget bill, since the Legislature will vote on the revenues, and the Legislature will be responsible for getting all of the amount of money necessary for this highway fund; what check will the Legislature have on its expenditure?

SENATOR CARTER. Now, Mr. Thomas, in answer to that question, I will say specifically that this bill does not give the Legislature control

over the local county budgets. In other words, we allocate the money to the counties upon a formula We allocate it to the cities upon a formula. When it is allocated to the cities and counties it is spent by the cities and counties in their discretion in their budget so long as it is for a lawful purpose as set out in this bill. Now the question I think you are trying to reach is the one which has been discussed here quite a bit, and that is the control that the Legislature should have over the budget of the Division of Highways. This bill does not do that so far as I know. If there is any attempt to do it—

SENATOR CARTER: That is correct.

ASSEMBLYMAN THOMAS: Why wasn't that considered by Senator Collier's committee and written into the bill?

SENATOR CARTER: You would have to ask Senator Collier that question, or some other person who knows. I will say that I heard the subject discussed, Mr. Thomas, and I am here now trying to explain the legal effect of the bill, and I can just tell you that it is not in there Although the subject has been discussed the provisions are not now in the bill. Are there any other questions to this county system, because there will be other references to it, but they will be limited?

By the next system that is discussed in the bill, starting on page 3, it discusses the system of major city streets. It again makes one material change in the present system that is now followed However, these sections are necessary in order to bring the existing law and make it compatible with the new law to allocations that are set up in the bill, and it reiterates that there is a major system—there is in each city a system of major city streets Now, then, the major city streets is a street of general city importance, and it is subject to approval of the Department of Public Works. While in discussing it with the county, I want to point out that this primary road system I was discussing, and the same is true of the major city streets, both systems may be amended or revised from time to time as the distance within the county or city change, and the board of supervisors or the city council, as the case may be, has the power to make these revisions subject to the approval of the Department of Public Works, and it can be appealed to the State Highway Commission to solve it. Then, the bill goes on and provides that all expenditures be made by or on behalf of the city which project is commenced in whole or in part from the highway users tax fund, which is a sum set up for the purpose of getting all of the money that is available from these various features of taxation, and from which allocations are made to the cities and counties and to the State, that all expenditures must be made in accordance with Sections 194 to 202, inclusive, which are set forth later on in the bill in pages 15 and 16. However, that affects only 194 and 195 and the others to 202 are already the existing law and are not changed.

Section 2055 is an arbitrary determination to take care of the particular problem in the City and County of San Francisco, which has, as you know, no rural roads. It is all city streets, and therein designate that the major city street system in San Francisco that not exceed 50 percent of its streets, and it is done that way so that the allocation features of the bill will apply to San Francisco both as to a city and as to a county.

Now the next provision, or next subdivision, has to do with the highway users tax fund Before I get on to that, I might say, that both the

major city streets system and the primary county road system and secondary roads and secondary streets are later tied up to the allocation features which come later on in the bill. Are there any questions while we are on the major city streets? I think it is rather simple and there is not much change in the law.

ASSEMBLYMAN HAWKINS: Does the bill later on define what will be lawful purposes for which the money can be spent on the major city streets?

SENATOR CARTER: Yes.

ASSEMBLYMAN HAWKINS: That is not anticipated if it is answered later on.

SENATOR CARTER: It is answered at least in part, I think it is answered completely

ASSEMBLYMAN HAWKINS: My understanding is that no city secondary streets will be helped under this bill. Is that correct?

SENATOR CARTER: That is not entirely correct. Under the allocation features, that is, after the money is allocated to the city, three-fifths of the money must be spent on major city streets, and two-fifths may be spent on major city streets, or streets other than major city streets, as I understand it, for maintenance. Do you understand that? Let's get down to 194 and 195; 195 on page 15. Except as provided in Section 200, three-fifths of the money allocated under the provisions of Section 194 shall be expended for the construction of streets included in the system of major city streets within such city or city and county as established pursuant to the provisions of Sections 2050 to 2054 of this code. Then it also says, "two-fifths of the money allocated under the provisions of Section 194 shall be expended for the maintenance of the system of the major city streets and of the secondary city streets within such city or city and county; provided, that with the approval of the department, a portion of such moneys so allocated for maintenance may be expended for construction of streets included within the system of major city streets within such city or city and county." Does that answer your question, Mr. Hawkins?

ASSEMBLYMAN HAWKINS: Yes it does.

SENATOR CARTER: I think it answers it in full but I did not immediately recollect how far it went.

Now then, getting on to the next section of the bill, which has to do with the highway users tax fund. Now, you have heard a lot of discussion about that fund. It merely creates another fund into which all of the revenues from these various taxes are handled to get them in to one fund, and then the bill provides to siphon or channel the money out of the fund for its various purposes. Now, there is in the first part of the chapter, of course, there is a provision that all of this money has to be used for the construction, reconstruction, improvements, and maintenance of public streets and highways subject to and in accordance with the provisions of this code. That just simply means it has got to be spent for street or highway purposes, and highway, both county roads and state highways. Then there is a definition of that revenue which I do not think is particularly important unless somebody wants to raise a question on it. And then under this highway users tax fund all of the money is apportioned out of the fund quarterly, and I want to point out to you that in some of these allocations formulas the figure is a

quarterly figure, and therefore, should be multiplied by four in order to get the true figure, and where it says $75 that is in essence $300 a year, $75 a quarter. Where it says $150 a quarter, it is $600 a year. And you will find down in the remaining sections, and I will pick them up as I come to them. Then there is an allocation to the Controller to cover his expenses and it amounts to an annual allocation of $100,000, or as much hereof as necessary to carry on the work. Now, I personally amended that section into the bill at the request of the Controller so that his department would be adequately _____ of carrying on the work of auditing and checking and so on. That had to be done.

Now, in starting in with Section 2104, we start in with the allocation to the counties. Then we come to the allocation to the cities and allocation to the State Now, Section 2104 provides that the sum of $5,400,000 annually shall be apportioned among the counties from the Highway Users Tax Fund as provided in Sections 2110 on page 5. That provides that it is to be apportioned among the counties in proportion to the registered vehicles in the county. That is the existing registration fee formula. The amount of $6,200,000 was computed upon a present basis taking into consideration the weight fees and some of these which go with the existing registration fee of $3 per vehicle, and, as I say, that figure was reached by taking the existing figure and then that amount is to be apportioned annually, and it shall be increased or decreased for each fiscal year in the ratio that the total number of motor vehicles registered in this State for the preceding calendar year bears to the total number of motor vehicles registered in this State for the calendar year 1946 In other words, that amount is to be scaled up or down in proportion to the increase or decrease in the number of registered motor vehicles in this State as compared with the motor vehicles registered in 1946. Now in that, you will note that the amount of money that goes to the counties is based upon a $3 registration. If the registration fee is increased, the counties do not participate under this section in any portion of the increase in registration, and that amount of money will go for other purposes. However, the county would participate in the increased number of registrations in proportion to the amount of the increase, or would lose some in proportion to the amount of decrease. The second allocation has to do with the 1 cent of the gas tax under the present law. Generally speaking, 1 cent per gallon on the gas tax is now allocated to the county. Now that is again allocated to the county and there is only one change made in the present formula that is now used. As I understand it, the present formula allocates out of this 1 cent, $30,000 to each county, and then the balance is distributed, or allocated, among the various counties in proportion to the registration of the motor vehicles in the county. The only change made here is to first take out $20,000 a year to each county on the basis of $5,000 a quarter, and that is set up in Section 2111, line 2, on page 5. And that amount is to be used exclusively for engineering costs and administrative expenses in respect to county roads, and that is related back to paying the salary of the road commissioner and the expenses of planning what is done by the road commissioner for the county road system.

ASSEMBLYMAN KNIGHT. May I call your attention to a typographical error on page 3 with reference to Section 11?

SENATOR CARTER. You are right, and I do not have it here but I have on my desk in the office a note to correct that and that is absolutely correct. If my voice drops below a whisper it is largely laryngitis. Now there is subdivision A and subdivision C of 2111 carries out the thirty thousand allocation by allocating $7,500, a quarter of $30,000. And thirdly the balance remaining shall be apportioned to the counties in the proportion of the registration of vehicles in each of the counties bear to the total number of vehicles registered in this State. Now then, you have the situation so far where you have the existing registration fees taken care of and the existing 1 cent on the gas tax.

Now, the next section deals with what we call new money. In other words, it is additional revenues other than those now allocated to the county. It is additional revenue and it comes out of the highway users tax fund and the new revenues that are apportioned in to the highway users tax fund. And that is Section 2106 at the bottom of page 4 on lines 41 to 44. The sum equal to three-eighths cent of the gas tax is apportioned to the county and is allocated in accordance with Section 2113 to Section 2116, inclusive. Now this is quite complicated but I have checked with the Controller and he advises me that he can follow the law. First, out of this money that is made available, of the three-eighths cent is paid to the counties quarterly to bring each county up to $300 a mile per year for the maintenance of county roads, county roads mileage in each county Now, what actually happens is that they take $300 a mile per year and then deduct from the amount that is already paid to the county under the 1 cent gas tax allocation, that is the $30,000 a year, and the registry money. That is, I mean, the money that is paid on the basis of the registry out of the 1 cent gas tax and not the registry fee. In other words, what the county now gets per mile is subtracted from three hundred and the balance is paid to the county. So therefore, vary in each county depending upon what each county now gets per mile from the existing gas tax. Then the balance that is left over, and I might say, that on present figures, as I understand it, three-eighths of a cent on a gas tax will amount to approximately nine and a quarter million dollars, and that nine and a quarter million dollars is then allocated first upon the $300 formula and then the balance is divided in half, and one-half is allocated upon a registry fee basis, that is, the proportion that the registry fees in the county bears to the registry—the proportion of registrations in the county bears to the registrations in the State as a whole. The second half is apportioned again on a road mileage basis for every county that have less than $600 per mile When you take into consideration all of the previous apportionments that have been made both from registration fees and gas taxes, and then you find that the county did not have $600 a mile, then this balance left in the fund is apportioned among those counties under $600 a mile in the proportion that the county road mileage of the particular county bears to the road mileage in the whole State—the county road mileage in the whole State. For example, say that a county has under all the other formulas received $400 a mile, and that county has 500 miles—or we will make a round figure of 1,000 miles of county roads, and there are 10,000 miles of county roads in the State—there are probably more than that—but then that county would participate in the proportion that 1,000 miles bears to the total mileage in the State.

Now then, this second apportionment that comes under Sections 2115 and 2116 must be spent for construction on the county primary system. All of the balance of the money that is apportioned to the counties must be spent for the maintenance or construction upon either the primary or secondary county system So that the bulk of money apportioned to the county can be used either for maintenance or construction upon the primary or secondary county road system.

Now, I again invite any questions that you may have on the subject, because I am now going to leave the counties and go to the cities, and after I get through with the cities I will go on to the State.

ASSEMBLYMAN THOMAS: All of the surplus under the present law, that on registration and weight fees, of the Department of Motor Vehicles is referred to the users highway fund, isn't that correct?

SENATOR CARTER: I am not sure of that.

ASSEMBLYMAN THOMAS. In other words, all of the registration and weight fees—any surplus that comes—

SENATOR CARTER: I think it is, but I would not want to make a categorical answer, because I haven't got the section.

ASSEMBLYMAN THOMAS. That is distributed to the counties I believe.

SENATOR CARTER: No.

ASSEMBLYMAN THOMAS: Half to the county and half to the State?

SENATOR CARTER: No, neither under this bill.

ASSEMBLYMAN THOMAS: No, I am asking you the present law

SENATOR CARTER: Oh, I think the county gets 31¾ percent of the registration fee.

ASSEMBLYMAN THOMAS: Will that still continue if this bill is passed?

SENATOR CARTER: Well, that is repealed, and this $5,400,000 annual allocation takes the place of that.

ASSEMBLYMAN THOMAS: In other words, the surplus will not reverse to the highway users

SENATOR CARTER: Well, it all goes into the Highway Users Tax Fund, and then only comes out on the basis set up in Section 2104

ASSEMBLYMAN THOMAS: Have I made myself clear on this question?

SENATOR CARTER: I do not know. I will try to paraphrase it You correct me if I am wrong You are now referring to the existing system first.

ASSEMBLYMAN THOMAS: Yes.

SENATOR CARTER: Under which these funds are allocated.

ASSEMBLYMAN THOMAS: Yes.

SENATOR CARTER: As I understand it the counties are allocated out of the registration and weight fee 31¾ percent of that amount, and it is allocated annually, or maybe quarterly, I do not know just what period is allocated now. Can this bill repeal that feature, in all of the registration and weight fees go in to the highway users tax fund then to take the place of the 31¾ percent that the county now gets

ASSEMBLYMAN THOMAS: Out of the highway users fund?

SENATOR CARTER: No. You do not have a highway users tax fund. I do not know whether it is the Motor Vehicle Fund. Whatever fund the registration fee is in. Senator Hatfield called my attention to the Motor Vehicle Fund and I think that is the name of it In other words, those registration fees go into the Motor Vehicle Fund and then come out

under the existing law. What I am trying to say is whatever formula is now used, Mr. Thomas, whatever formula is now used is repealed, and a new formula is established, and that is that all of the money that comes out of the registration and weight fees goes into a new fund, the Highway Users Tax Fund. And then the counties get an equivalent of dollars and cents, five million twelve hundred thousand dollars annually, which amount is increased or decreased in proportion to the increase or decrease of registrations in the State. And that is substituted in the place of the existing law. Well, gentlemen, I do not make any pretenses of knowing completely all of the details of the existing law on some of these tax features, but that is my understanding, and if I am in error it is not an error of the heart, it is an error of the brain. I may not know it all, although that is my understanding at the present time. I think it is substantially correct, although I may be in error in some details. Are there any further questions? Senator Hatfield tells me that the figure five million twelve hundred thousand was arrived at by determination of what they got this year, 1946, plus what they got for penalties and weight fees, and that would raise it approximately that figure. Now, any future disbursements from the Highway Users Tax Fund is going to be paid in proportion to what is now paid in dollars and cents instead of being in percentages. It is now going to be in dollars and cents figures. Are there any other questions on the county allocations?

Then, in Section 2107, a sum equal to five-eighths of a cent per gallon tax under the motor vehicle fuel license tax law, that is the gas tax, shall be transferred to the State Highway Fund for expenditure in cities as provided in Section 194, which is found on page 15. That is the section preceding the one that I read to you there. Now, this five-eighths cent represents three factors. The first one is that under the present law the cities are allocated one-quarter of a cent on a gas tax to be spent in the city by the State That is, the State spends the money there, spends it in the city on the state highway. That provision is repealed, and the state highways within the cities are turned over to the State for construction and maintenance out of state highway funds, and the quarter cent allocation has nothing more to do with it and is done away with. And, in addition to that under existing laws a quarter cent is allocated to the cities for expenditure within the city by the city. That is continued in this five-eighths cent. In other words, the five-eighths of a cent is arrived at by taking the quarter cent that exists and adding three-eighths of a cent to it so that in effect, in new money, the cities and the counties are getting three-eighths of a cent each. One on the gas money or the equivalent of that coming out of the Highway Users Tax Fund. Now, you will note that the cities fund is allocated to the State Highway Fund, and from there it goes on to the city, and is expended in accordance with the sections that I read—on one of these sections that I read to Mr. Hawkins. And you will find on page 15, Sections 194 and 195. Now, in Section 194 is the allocation section which requires the State Highway Commission to allocate annually and the department will cause to be expended—and that means it is to be expended by the city unless there is an agreement by the city and the State that it is to be otherwise—in each city the amount transferred from the Highway Users Tax Fund and it is to be allocated among the various cities in the proportion of the total population of each city bears to the total population of all of the

cities in the State. In other words, this is a thorough population allocation.

Then under Section 195, three-fifths of that money that is allocated to each city is to be spent on the maintenance—or the construction of major city streets, and two-fifths of the money can be spent on maintenance of the major city streets, or secondary city streets, and for construction of the major city streets with the approval of the highway commission. Now, are there any further questions on the city part of it? If there are none, I will then proceed to the state features and will only touch on a part of that because as we get into this system of expressways and other highways, the many features of the state population situation will be discussed there.

And, in Section 2108 the balance of the money in the Highway Users Tax Fund is a portion can transfer to the State Highway Fund for expenditure on state highways.

Now, Section 2109 is the one that requires the State to maintain highways within the cities, which follows the doing away with the allocation of the quarter cent to be expended within the city. There is a provision on that that under this bill the State will be taking over, if it goes through, the State will be taking over 67.4 miles of city streets that are not now on the highway system, and it would be unfair to require the city or the State to maintain those streets until they are actually taken into the State Highway System. And this proviso provides on top of page 5 that the department is not required to maintain any route or a portion of a route in any city which route or portion of a route was handed to the state system after January 1, 1947. That means the new mileage, 67.4, plus the 2.8 of connecting length and the duty to the State to maintain those city streets will not—the duties will not follow until the State has concepted the highway on the city streets.

Section 2110 has to do—now these Sections 2110, 2111, 2112, 2113, 2114, 2115, 2116, and 2117 have already been discussed in relation to the county road system and the other county systems and has to do with the apportionment, and if there is any further discussion I would be happy to discuss them at this time.

Now, Mr. Hawkins, along the line that you were mentioning, as far as the cities were concerned, Section 2118—this is another section that affects the city. Section 2118, lines 14 to 43, on page 6. And this requires that the money transferred to the State Highway Fund for expenditure in the city shall be expended as provided in Sections 194 to 202, inclusive, which are the sections that I have previously read to you, and the other three are in the existing code.

Now then, Section 2119 provides that the State Controller will not draw out his warrant unless the cities and counties live up to these provisions of that bill, and that is where there is a great deal of responsibility placed upon the Controller justifying the apportionment we have made to him for carrying out the duties that is offered.

Then Section 2120 on top of page 7 provides that on the request of the board the Controller may deduct from the county apportionment upon the request of the board of supervisors—the Controller may deduct from the county apportionment any amount specified for work that would be done by the department upon the request of the county. I might say, that all through this bill in the occasions where work is to be done

the county can contract with the State; the city can contract with the State; or the State can contract with the county or city, and these sums can be used for those purposes as long as the purposes are within the general purposes laid out in the bill. And you have those reciprocal provisions that are based upon agreement.

Now, Section 2121 sets up the time, that is, in May of each year the county shall submit to the Department of Public Works any changes which is proposed in its primary road system, and the department can approve or disapprove, subject to the appeal provisions set forth in Section 74, page 13.

Now then, the next chapter on page 7 having to do with the accounting reports and sets up a system whereby the Controller can determine from the counties and from the cities what is happening to the money so that the State will be protected in knowing that the moneys that have been allocated to the political subdivision of the State, that is, the cities and counties, have been properly spent, and unless there are some specific questions on this, I see no reasons to go into detail on it because I think they set up a very clear system which creates no additional problem. I might say that the moneys that are paid to the counties are paid into a special road improvement fund, which is set up in Section 1622 of the Streets and Highways Code, and there is also Section 1621 of the Streets and Highways Code and that has been repealed by this bill, so then we now have one fund, and all of the money that comes into the State goes to the counties in this one county fund.

Then, at the end of that chapter, or that article of the chapter, lines 38 to 40 on page 8 there is a repeal of Article 2 of Chapter 2 of Division 1 of the Streets and Highways Code. Article 2, Chapter 2, is the article that sets up the primary state highway, and it is the system of primary state highways within the State. Now, that brings into play one of the features of this bill which is set up in the next article, and that is expressway systems and State Highway Systems. I think that before we launch into a discussion of specific routes and so forth that are set up here that I should try to explain the theory of approach that is used in this bill in order to establish a new highway system in California with approximately the same mileage and same route with different designations.

CHAIRMAN HOLLIBAUGH: Have you reached the point where we can take a few minutes recess to give our reporter a recess?

SENATOR CARTER: Oh, yes.

CHAIRMAN HOLLIBAUGH: We will take a 10-minute recess.

(Thereupon a recess was taken at 3.25 p.m.)

CHAIRMAN HOLLIBAUGH: The meeting will come to order. Senator Carter, you may proceed.

SENATOR CARTER: Mr. Chairman and members of the committee, I had just reached the point where I was discussing those sections of the Streets and Highways Code that has been repealed having to do with primary state highway. Now, before I go on to a discussion of the expressways system of the state highway, I think I should try to outline to you what has been done by this bill in the repealing sections that are later on in the bill, and in this expressway section of the bill in general terms and then we can go on to specific sections.

In the first place we have repealed any distinction between primary and secondary state highway. There is no longer a system of primary and

secondary state highways if this bill becomes law. There will be in place of that system a system of expressways or freeways, or express highways. Those terms are synonymous, and other state highways. In mileage there is a substantial change, but it is not far out of reason under the present laws. As I understand it, there are in excess of four thousand miles in the primary highway system. Under this bill there will be slightly in excess of three thousand miles in the expressway system, and under the existing laws there was in excess of twelve thousand miles in the secondary system, and now there are in excess of ten thousand miles in the other highways, other than expressways or freeways. We have also done away with the distinction required that 50 percent of the moneys allocated for state highways be spent on the primary system in the North and 50 percent on the secondary system in the North, and the same in the South. In other words, the moneys are divided North and South and then they are divided between primary and secondary highways under the existing law. Now, to take the place of that, we have, as I say, set up this expressway system, and then the other state highways are continued in the system. Now, I want to point out in that situation that the State Highway System remains the same, except for the additions that are made by the bill. And those additions can be specifically found in a letter from Mr. Purcell to Mr. Beek, the Secretary of the Senate, in the Senate Journal of March 3d on page 188, and that says specifically the 67.4 miles that is added to the State Highway System, and that 67.4 miles is all on the metropolitan areas of Oakland, San Francisco, and Los Angeles. Then, in addition to that, there are 2.8 miles, one mile of it is near San Bruno and 1.8 near Hayward, would connect the existing state highways which are made into expressways under this bill. Now, that 2.8 miles is not in the metropolitan areas of Los Angeles and San Francisco, but it is outside of them and is connected, so that you have that mileage added to the State Highway System in this bill. Otherwise, the state highway mileage and the state highway routes are exactly the same as in the existing law. If any of you desire to check that and get specifically what the situation is, I suggest that you read the letter. It is quite a short letter, but it explains specifically what happens, and if you have any questions as we go along here, I will be glad to read the letter and explain to you as we go along. Now, you have that substitution of the expressway system for the primary system to do away with the secondary and to do away with the 50 percent formula, but in its place and on page 14, line 15 to 28 in Section 188.4, rather, lines 15 to 33, is the Mayo amendment. Now, that amendment provides simply that in the five-year period commencing July 1, 1947 to June 30, 1952 that at least 25 percent of the amount of money in dollars and cents—that is set forth in the critical deficiency program as set forth in the Senate Journal on February 5th. Now, I think all of you have seen it, or know of it—that 25 percent of that amount of money must be spent in each county in this program for a five-year period. Then, in the next five-year period an additional 25 percent must be spent in the next five-year period; three periods—three consecutive five-year periods would make a total of at least 75 percent. Now, the department has the right to carry over the excess into the next five-year period so that the situation is simply that the money will not all be concentrated in any one county, or in a group of counties. Now, I want to stress the

importance of some type of formula that has been expressed in the Mayo amendment. If you do away with the 50-percent allocation as we have done in this bill, then there must be some formula for providing that the state highways in the various counties of the State shall be protected, and the Mayo formula does it on a percentage basis, and that is the only approach in this bill to having an allocation, or a distribution after the money is divided North and South. And I want to point out to you that there is a provision North and South that is different than the existing law, and I will discuss that later, and it is discussed later on in the bill.

Now, then, I think that all of you people can read, and unless you have some specific question to ask about these expressway highways, that is, each individual one. I am not going to discuss except to say that the one—one expressway highway runs north and south from the Oregon border to the Mexican border which approximately follows Highway 99. And one run following the route of Highway 101, and then the existing causeways of Highways 40 and 50. And I do not know what the numbers are in the South. And then additional freeways in the metropolitan areas of Los Angeles, San Francisco, and Oakland. Now, that is substantially what this expressway system is as it is designated in the bill, but before I get to that I want to say that I have a proposed amendment and one that I wish to present to the Assembly and request it to be adopted. I say this because of what happened in the Senate upon the last day of the passage of Senate Bill No. 5.

Now, the question was raised as to the meaning of Section 251 of the bill which starts on line 47 of page 8 and is on line 3 of page 9. Now, this is a definition of expressway highways You will note that Section 252, the following section, states that the term "express highway," "expressway," and "freeway," shall be synonymous and interchangeable, and all of the statutes of this State applicable to freeways unless inconsistent with any of the provisions of this chapter shall be applicable to the expressway system of highways provided for in this article. Now, it was felt in the Senate that Section 251 was a deviation from the existing law which is set forth in Section 23.5 of the Streets and Highways Code. And I had at that time amendments prepared, but rather than delay action in the Senate at that time, I withheld the amendment and agreed to offer them in the Assembly. Now, my amendments simply strike out Section 251, and therefore, under the provision of Section 252, when you come to a definition of "what is an express highway" you will have to refer to the existing Streets and Highways Code, Section 3.5. Now, I suggest that because there will be then no deviation from the existing law. I have offered this amendment with the expressed approval of Senator Collier, one of the authors of the bill, and the gentleman who talked to you preceding me. Now, I am going to leave the amendment with your chairman, and I request that they be adopted. If you do not desire to act on them at this time, I will ask that you act on them before you close this session on this bill. Senator Hatfield suggests that I tell you that these amendments are acquiesced in by the Senate. As a matter of fact, it was upon my representation that I would offer these amendments this bill was passed, and I might say further that I have discussed the matter with Mr. Wood, the Legislative Council, and with other Senators who were familiar with the provisions of the bill, and we feel that there is some danger in the expression of the language being used in Section 251, and

it may affect property. It is a highly technical question anyhow, and I think that as the policy of this bill, we should avoid those types of arguments, and by referring the situation so that the existing law will apply, we will avoid that argument, and if there is a question to be handled, it can be handled in a separate piece of legislation. In saying that I do not wish to imply that I am going to offer a separate piece of legislation, but I think if there is a question it should be handled in separate legislation, and we should rely on the existing law as set forth in Section 23.5.

ASSEMBLYMAN HAWKINS. Senator Carter, as I understand it the expressways at the present time are the primary state highways. There are no changes made in that.

SENATOR CARTER: That is not entirely correct. A part of the State Primary State Highway System is in the expressway system, but not all of it. And a part of the secondary State Highway System is in the expressway system, and there are some city streets which are in addition to the State Highway System and the expressway system.

ASSEMBLYMAN HAWKINS: Well, can you point out the ones I had in mind as additional?

SENATOR CARTER: Yes. I will read you this letter and you can follow it. It is rather concise. A letter from Mr. Purcell and it is dated February 26, 1947. The section numbers have not changed, so there is no problem of changing sections. It is addressed to Mr. Beek, the Secretary of the Senate.

"This will acknowledge receipt of your letter of February 5, 1947, transmitting by direction of the Senate the copies of Senate Resolution No. 16, requesting and directing the Director of Public Works 'to report by written communication * * * a statement of what roads or streets which are not now in the State Highway System are incorporated into the State Highway System by the provisions of Senate Bill No. 5 of the First Extraordinary Session of the Fifty-seventh Legislature of California; and to include in the statement the location of each such road or street so added * * *'

"The following statement is respectfully submitted in conformance with the directions of the above quoted resolution:

"Article 2, beginning on page 7 of Senate Bill No. 5 establishes the Expressways System of State Highways.

That page number is incorrect; it now begins on page 8.

"A portion of the expressway described in Section 257, in San Mateo County, is in the San Francisco metropolitan area and is not now a part of the State Highway System. A portion of the expressway described in Section 265, in Alameda County, is in the Oakland metropolitan area and is not now a part of the State Highway System. A portion of the expressway described in Section 270, and the expressways described in Section 272, Section 274, and Section 275, are in the Los Angeles metropolitan area and are not now a part of the State Highway System."

Now, I want to interrupt here and say that I am doing a little interpolating in this respect. The letter refers to page numbers and the page numbers of the bill have been changed, but the section numbers have not, so when I refer to the section, I am not going to mention the page numbers because they are only confusing.

"A portion of the expressways described in Sections 272, 278, and 279, are in the San Francisco metropolitan area and are not now a part of the State Highway System. A portion of the expressways described in Section 281 and the expressways described in 283 are in the Oakland metropolitan area and are not now a part of the State Highway System These expressways and portions of expressways, are not now a part of the State Highway System, and never have been definitely located. As nearly as can be determined at this time, the location of these expressways and the portions of expressways is as follows:" —now, let me say that 257 and the one following 265 are not a part of the 67.4 miles It was always in the bill and was not added with the 67.4 miles. "Section 257. That part of the expressway described in Section 257 from a point on State Highway 68 near San Bruno, San Mateo County to State Highway Route 2 near San Bruno, a distance of 1.0 miles, is not now a part of the State Highway 265. That part of the expressway described in Section 265 from a point on State Highway Route 5 near Hayward in Alameda County to a point of the expressway described in Section 264 in Alameda County, a distance of 1 8 miles, is not now a part of the State Highway System."

Now, the rest of these sections deal with the 67.4 miles.

"Section 270 That part of the Sepulveda expressway from Inglewood expressway described in Section 272 to the Los Angeles River expressway described in Section 275 near Long Beach, a distance of 12 miles, is not now a part of the State Highway System. Section 272. The Inglewood expressway extend from a connection with State Route 60 near the Los Angeles Airport (Mines Field) to the harbor expressway described in 268, a distance of eight miles."

ASSEMBLYMAN HAWKINS: Senator, I do not think we need to read all of these What I wanted to do was to have pointed out to me in the bill the exact section number of those that are being added. Now, as I understand all of those section, 285 is accurate, is it, in designating those that have been added. Section 285 at the top of page 11.

SENATOR CARTER: I will read them section by section, and I think there are two portions that are added in addition to that Now, you follow me chronologically in the bill and I will give you the sections that adds new mileage. I think that is the quickest way out.

Section 257. Now that is not in the 67 4 miles; one mile. Section 265 on the top of page 10. That is 1.8 miles not in the 67.4 miles. Section 270, Section 272, Section 274, Section 275, Section 277, Section 278, Section 279, Section 281, Section 283; those are the sections which add new mileage to the State Highway System in accordance with the letter from Mr. Purcell.

CHAIRMAN HOLLIBAUGH: May I ask you a question? Are these sections that you read, are they included in the original $1,450,000,000?

SENATOR CARTER: No, they are not included in the original $1,450,000,000.

Now, for the 67.4 miles, there was an additional estimated expenditure of $214,000,000 for work on the city streets and an additional $55,000,000 for connecting links on primary and secondary street highways; making a total of $265,000,000 for the 67.4 miles I think those figures are approximately correct Now there would have to be added to the $1,400,000,000, making $1,732,000,000, if my addition is correct,

although I may be off on that 732, but it is over $1,700,000,000. Does that explain your question?

CHAIRMAN HOLLIBAUGH: Yes, thank you.

SENATOR CARTER: Mr. Carr tells me it should be $1,723,000,000

ASSEMBLYMAN RALPH C. DILLS. Think nothing of it.

SENATOR CARTER: Now, do you have any further questions on the specific expressways that are involved? I would be happy to answer them if I could

Now, then, when you complete these specific expressways, I want to point out to you now that this system of expressways includes a portion of what was formerly the highway system, a portion of what was formerly the secondary system, and city streets that are now outside the State Highway System. Then in to the other highways, other than expressways, are relegated a portion of the present primary State Highway System, a portion of the state secondary system, and that is all. In other words, they take no new mileage other than the 67.4 miles and 2.8 miles.

Now then, starting at the top of page 11, there is a provision that the highways in the expressways system shall be state highways for all purposes under the provisions of the code and any other statutes of the State, and that simply takes these highways into the system, and you are adding 67.4 miles and 2.8 miles, respectively.

Now, Section 287 provides for the expenditure of money on cooperative agreements between the city and the State, or between the State and the county. That section then is one of those cooperative sections that are referred to previously.

Then Section 288 states that the department shall acquire the necessary rights of way for, and shall design, construct and maintain the system of state and metropolitan expressways as described herein and for such purposes that exercise all of the powers and duties vested in the department by this code or any other statute relating to the state highways within this same period. Now, that is designed to allow the acquisition of freeway or express highway rights of way before construction is commenced Now, Section 289 on lines 35 to 38 provides that the department may delegate any expenditure of moneys allocated for such highways to any city within which any such highway is located, as in cases of other expenditures on state highways. Now, we repeal in this bill Section 203 that has to do with that quarter-cent that is to be spent within the cities, and it has two provisions that the State could let the city spend the money if there was an agreement to do so. That agreement provision is highly beneficial, and in Section 289 we have saved that provision of 203 so that 203 is only repealed in part, because that portion of it is re-enacted in Section 289

In Section 292 at the bottom of page 11 there is a provision providing that the State shall have no power to impose any liability on any city or county by reason of any work that is done to the State Highway System. Then it next emphasizes that no highway or street can be opened onto an expressway without the consent of the department, and that is substantially the same as the language that is now set forth in Section 100.2 of the Streets and Highways Code. And I might say in passing that that language may be surplusage, but there is not material distinction between the existing law, and a recent check indicates that there

may be some surplusage in that section. Now, I want to call it to your attention so that you can discuss it if you desire.

Then the balance of Section 292 on the top of page 12 provides for an agreement between the city and the county as to grade separations and expressways and any city streets and before the department constructs any overpass or underpass. It really in affect gives the city the power to designate whether there will be an overpass or underpass. It says it shall be done by agreement.

Now then, Sections 294, 295, and 296. These sections have to do with the design and purpose of an express highway and I might say that the language, in my opinion, of these sections is directory, although there appeared to be some mandatory words. The total effect of them is purely directory, and they follow this general principle that an expressway should be designed and constructed to meet the needs of communities through which it runs, and that the department allowed considerable latitude in the construction of expressways so that when it goes through a country area the type of road may be entirely different than that which goes through a metropolitan area as far as access is concerned. If you will notice in subsection 7, or subdivision 7, of Section 295 there is a specific division that suitable crossings be maintained with respect to each expressway established in this article and any freeway or limited access highway so as not to hinder the normal economical development of any community through which such highway passes. Now then, that language is merely directory and not mandatory, so that the power resides in the department and the commission. It does so all through the bill, and this bill does set up a policy which guides the department. Let me point out to you that those provisions are not a material change from the existing law. As far as freeways are concerned, the power, to a great extent, resides with the department and the commission.

Now then, in Section 297 at the top of page 13, an act which is substantially what is now in Section 104.6 of the Streets and Highways Code, which suggest that the department acquire the rights of way which are adequate to permit the ultimate development of travel highways as described herein. However, I want to point out that the use of the word traveled ways is a new term and may create some limitations, and I would suggest to the committee that that line must be studied, because it may be that we could use the existing language in Section 104.6, instead of this language, but I am sure that representatives of the city and your Legislative Council will be prepared to give you an opinion as to what that language means But I want to point out that the use of the word travel ways is a distinction which maybe should be changed.

Now the next sections, 298, 298.1, and 298.2 have to do with the use of expressways by common carriers, both for passengers and private properties. It provides that common carriers are those, that is of both of passengers and properties, may use the expressway system, that they must have the prerequisite certificate of convenience and necessity from the Public Utilities Commission which they now have to acquire in any event, and that they must comply with any franchise in any of the cities through which they pass Now, as I understand these sections, private trucks are not affected, that is, in other words, trucks that do not under the law have to acquire a certificate of public necessity and convenience are authorized to use the expressways subject to provisions of Section

459, subdivision 8, and Section 713 of the Vehicle Code, which has to do with the routing of trucks through the metropolitan area. And that power is exercised through the various cities and counties subject to the approval of either the Department of Public Works or the State Highway Commission. So that there is no limitation upon the use of the expressways except that which is in the existing law already. If anybody has any questions on those points I should be glad to answer them if I could.

ASSEMBLYMAN BECK: Referring you to those two sections that you just read, there is no prohibition in the law at the present time that trucks cannot use necessary expressways. It is the present law.

SENATOR CARTER: That is correct.

ASSEMBLYMAN BECK: In other words, under the present law, the State Highway Department can restrict the use of the expressways for trucks, or the expressways may be denied the trucks by the cities, counties, and the Department of Public Works getting together, though there is a possibility that trucks could be excluded from the highway except as to the category set forth in the bill.

SENATOR CARTER: That is correct, but that is the existing law.

ASSEMBLYMAN BECK: That is true, but it may not be good law.

SENATOR CARTER: I concede to that, but that is the existing law. Mr. Beck, I want to make, however, one observation. You stated that you were of the opinion that under the existing law the State could prevent trucks from using the highway. I am not positive that is true. I am sure, however, that the city, with the approval of the State, could reroute trucks. I am not sure that the State alone could do it.

Are there any further questions on that section?

Now, if I can read my notes—now Section 74, the next section, is the general appeal section. That provides that if the counties or the cities are not satisfied with what the department does, they can appeal to the Highway Commission. That is a general appeal section.

Now, Section 188 at the bottom of page 13 has a lot of words in it but it is a re-enactment of the existing law and—no, withdraw that. I was thinking of another section. This is an important section and I should explain it to you fully. Now, this Section 188 has to do with the division of the money that comes into the Highway Fund from the Highway Users' Tax Fund north and south, into what is known as Group 1, north; and Group 2, south. That is under the present law, as I understand it, and it is rather complicated. But, now approximately 52 percent of the money is going to the north, and 48 percent going south. Well, somebody says 51-49, but I heard quite an argument today at noon, and the conclusions that they came to was it came closer to 52-48. That formula is changed, however, in this bill. Under this bill, one-third of the money that goes into the State Highway Fund, and that is for state highways, is divided. One-third of it is divided between north and south on a 50-50 basis. That is the approach to dividing the existing money upon approximately the same formula as it is now divided, except that the percentage is changed to 50-50, which is a slight change in favor of the southern group. Then the balance of the money, or approximately the new money that is made available under this bill, is divided that is, two-thirds of it is divided 45 percent north and 55

percent south. Now, that was agreed upon in the Senate and in the committee, and it is an attempt to give recognition to the predominate registration and population features of the south. It is the compromise that was reached in the Senate committee. And, I want to point out to you that after it is allocated in those groups, it is subject to further allocations under the Mayo amendment set forth in Section 188.4 on the next page. I have already discussed that amendment.

ASSEMBLYMAN EVANS: I was interested in that section, the Mayo amendment Now, Senator, let me ask you, with that program, the Mayo amendment program, wouldn't it bring about the situation whereupon we will have unfinished portions of projects all over the State?

SENATOR CARTER: Well, I do not think so in view of the present financial structure, and if the financial structure is changed, it might.

ASSEMBLYMAN EVANS: That is what I mean. In other words, if we take this we are in fact on a 10-year program. We are a future Legislature, aren't we?

SENATOR CARTER: No, you cannot do that.

ASSEMBLYMAN EVANS: Well, that is what I say.

SENATOR CARTER: We are doing this, we are setting up a formula which will operate in the future.

ASSEMBLYMAN EVANS: That is what I mean. Well, Senator, it is not a fact that the Highway Department and the Department of Public Works themselves are opposed to this phase of the bill?

SENATOR CARTER: It is my understanding that they are opposed to the percentages, but that the principle of some type of allocation similar to the Mayo amendment is not completely opposed by the department. But, there is considerable opposition to the 25 percent. Now, I say that advisably.

ASSEMBLYMAN EVANS: Well, I am not attempting to put you in the corner, but for your information, a representative for the Department of Public Works did appear before this committee and say that they were opposed to that phase of the bill.

SENATOR CARTER: Yes, particularly to the percentages. Now, let me point out, Mr. Evans, because you brought the question up and I think it is important I think it is important. If you have in front of you the Zettel Report, that is the analysis of Senate Bill No. 5 made by Mr. Zettel.

ASSEMBLYMAN EVANS: No, I do not.

SENATOR CARTER: Well, I will refer to page 15, and it is Table Four, the next to the last table based upon an estimate of revenue and expenditure that are now in the bill for the 10-year period under the Mayo amendment. First, under the north and south division, there will be $486,346,232 going into the northern group, and $550,824,267 into the southern. That the Mayo amendment is carried out there will have to be extended under the 10-year formula a minimum of $481,280,000. In other words, a sum within $5,000,000 of the totaling of the total amount will be allocated to the northern group under this bill. It is not so close in the southern. In the southern group of the $555,000,000, $355,000,000 of it will have to be spent in accordance with the Mayo formula and the dollars can be allocated by the Highway Commission. That is about $200,000,000 in a 10-year period could be apportioned outside of the Mayo formula.

ASSEMBLYMAN EVANS: This means then with the Highway Department handling it, some of the $200,000,000 additional could be extended outside of the southern part.

SENATOR CARTER: No, it would have to be spent in the southern part, but not 25 percent in each county in a five-year period.

ASSEMBLYMAN EVANS: Oh, I see.

SENATOR CARTER: Now that in my opinion, is one of the reasons that the financial structure to support this bill—now this goes outside of the explanation, but it is the nature of argument, but I think you should have it. That is one of the reasons why the financial structure to support this bill should be at a sufficient level so the Mayo amendment can be effective now in the metropolitan areas, because San Francisco, for instance. I doubt if there is a highway that can be built in San Francisco that is a freeway, and all of the Mayo amendment money will have to go under the freeway system to support them. I doubt if you can find in Los Angeles County in percentage enough money not to spend the best portion of it on the freeway system. Conversely, when you get into the rural areas, where there are no freeways, they are protected by having their State Highway System improved on a percentage basis. Take Calaveras County which has $6,000,000. They would only have in a five-year period —the State would only be required to spend 25 percent of $6,000,000, or —what is that $1,500,000. But they would be warranted that much in a five-year period so that the situation is that this knife cuts both ways. It protects both the expressways and rural highways.

ASSEMBLYMAN EVANS: Yes, but under the Mayo amendment—maybe I am a little stupid in this matter—but under the Mayo amendment, if the next Legislature is to pass legislation not to go along with the entire 10- or 12-year program, I still say that we would have some unfinished projects.

SENATOR CARTER: That is correct. In other words, if you change the financial structure, you are going to have to change the Mayo amendment. That is all there is to it. In other words, there is not enough money to support the Mayo amendment. You have got to scale it down.

ASSEMBLYMAN THOMAS: What would be the effect of the bill if the Mayo amendment was eliminated?

SENATOR CARTER: Well then, the effect of the bill is that you would have the worst log-rolling that you ever had in your life. You have got the 50-50 provision in the present law. You see, that 50 percent has to go to the primary, and 50 percent to the secondary. When you take that out you have to have something to see that the money is equitably apportioned.

ASSEMBLYMAN THOMAS: Even if the Mayo amendment would be eliminated from the bill wouldn't you have that apportionment made according to the north-south?

SENATOR CARTER: That is carried out, but then as between expressways and other than expressways, there is no limitation in the bill if you take the Mayo amendment out.

CHAIRMAN HOLLIBAUGH: Assemblyman Doyle.

ASSEMBLYMAN DOYLE: I am a little bit interested in this Mayo amendment, and I might be a little vague myself. Of this 25 percent of the estimated cost of the construction goes on down here and says a

five-year period. Does that mean that they must use 25 percent of the money allocated in five years, or 25 percent in a year?

SENATOR CARTER: The five-year period. They can spend it in any one of the five years or a portion of it in each year.

ASSEMBLYMAN DOYLE: But it must be earmarked for those particular counties?

SENATOR CARTER: They must make an expenditure for those particular counties. That is, 25 percentage in amount in dollars and cents established in that critical deficiency program. I do not think that there is any misunderstanding as to what has to be done. The argument is as to the amount of the percentage.

ASSEMBLYMAN R. C. DILLS: Mr. Thomas asked you what would happen in the event the Mayo amendment were deleted?

SENATOR CARTER: What?

ASSEMBLYMAN R. C. DILLS: Were deleted from the bill, and you stated that it would lead to the greatest log-rolling in our history or some such statement.

SENATOR CARTER: Yes.

ASSEMBLYMAN R. C. DILLS: Senate Bill No. 5 as presently constituted does not have any check on it insofar as the Legislature is concerned in that the State Highway Commission does have the authority to allocate the money, is that correct?

SENATOR CARTER: The only limitation that Senate Bill No 5 places upon the Highway Commission is the Mayo amendment.

ASSEMBLYMAN R. C. DILLS: Well then, what I don't quite understand, if the Mayo amendment is taken out of the bill, by whom would the log-rolling be done and against whom?

SENATOR CARTER: Then it would be a free-for-all before the commission.

ASSEMBLYMAN R. C DILLS: So that in effect the log-rolling would take place as it has in the past before the commission.

SENATOR CARTER: That is right, except that you would not have the limitations as between primary and secondary roads as now exists.

ASSEMBLYMAN R. C. DILLS: So that even under the present system in which the Highway Commission is in charge of your highway system, it is a fact that we do have log-rolling?

SENATOR CARTER: Well, I don't doubt it.

ASSEMBLYMAN R. C. DILLS: Thank you.

SENATOR CARTER: I never have so contended. Mr. Dills, Senator Collier suggests it all depends on who is rolling the log.

ASSEMBLYMAN R. C. DILLS: Up until now it is the Senate.

SENATOR CARTER: Now then, are there any other questions along this line? I never intended to be sarcastic in that remark.

ASSEMBLYMAN R. C. DILLS: We are getting accustomed to it.

SENATOR CARTER: Section 188, Part 2 is another recognition of policy. It proceeds the Mayo amendment, and it just merely says that the commission shall allocate the money available for construction taking into consideration the traffic volume, improvements, and so on and so-forth.

Section 181 at the botton of page 14 is a long section and, however, it just repeats the existing law, except that it deletes a portion of the

existing law as to primary and secondary highways since that has been abolished by other sections of the bill. The same is true with Section 189 at the top of page 15.

And then Section 193 is another directory section dealing with the matter of the factors to be taken into consideration on state highways and the effect on public projects. Sections 194 and 195 on 15 have been previously discussed, and they have to do with the allocations of the money, or the expenditure of the moneys that are allocated to the city. Unless there are any other further questions on that line, I will then proceed to the remaining sections, and I might say that I am getting pretty close to the end of what I am supposed to do, because I note that the audience is getting restless, and I will get through this as rapidly as possible.

Now Section 3 under the Highway Code is amended so that the distinction between primary and secondary roads is abolished, but it carries out what I had previously discussed.

Now Section 9 of the bill which is on lines 23 and 24 of page 16, repeals several sections of the Streets and Highways Code. These sections have to do with the subjects that I have been discussing. Now I have the Streets and Highways Code here and will take up each of these individually if you have any desire to go into them. I will say this, some delete sections and some of them are re-enacted in order to carry out the purpose of this bill and present technical conflicts in the law that would exist did you not repeal these sections. There is a proviso of repeal of Section 203 and that is the repeal of that section that has to do with the ¼ cent that is spent by the State in the cities on state highways. It does not affect the expenditure of any money allocated or accumulated for the acquisition of real property or interest therein for construction or improvement or maintenance of state highways within cities previous to respective date of such repeal. In other words, the moneys that are already accumulated will be spent for purposes for which they were accumulated. This vellum will act prospectively not introspectively as far as that is concerned.

Now, the next section is that portion of the bill from line 34 to line 46 on page 16. They have to do with the board of supervisors and the hearings on the budget and some claims from citizens as to the county road system, and they amend Section 1028 and 1029, and there is a provision that the consolidation of the road districts shall be without prejudice or shall not prejudice the legal requirement and road district taxes collected in any such district shall be expended in that district. In other words, we preserve the road district idea in the counties from a taxation point of view so that if we have a tax of 40 cents in one and 20 cents in another, the district that taxes 40 cents gets the benefit of the tax. I know that does not affect real large counties, but to the smaller counties that is quite important

Now then, the next section, 1620, has to do with the Special Road Improvement Fund, and that amends that section which sets up this fund, and the money from the Highway Users Tax Fund will come now at this point. I have a suggested amendment, but I am—I think it should be studied further, but I want to present it to you for your consideration and discussion. I want to discuss it further, however,

with the Legislative Counsel and with the Board of Supervisors Association and other persons who are interested in it.

In our repeals we have repealed the provision in the Streets and Highways Code in the 1020 series. Section 1020 up to 1029, the provision that provides that members of the board of supervisors are entitled to mileage up to 20 cents a mile for traveling one way on their road districts, but not to exceed a sum of $300 per year for the work they do on their road districts. Now they will still have to make inspections and it is not my intention, and I am sure that it was not the intention of the Senate in repealing that section to take away the expenses of the individual members of the board of supervisors who were traveling in their districts, and I have prepared an amendment which will restore that. But as I say, I think that amendment needs further work, and I wish that the hearing committee would give some study to that problem, and I know you are going to be in session for a few days, and I, Mr. Chairman, request the opportunity to appear at a later time when I think I have a proper draft. I say, I have a proposed amendment and I would like to have the opportunity to appear some time in the future.

CHAIRMAN HOLLIBAUGH: Senator, if you will prepare it after we complete our presentation on Wednesday, we will have all the amendments offered. Then if you want to give it to the secretary, you will have an opportunity to talk on it.

SENATOR CARTER: Thank you, Mr. Chairman.

Now the next section takes up the procedure which has to do with the certification of county maintained road mileage and a provision that if the county disagreed with what the Department of Public Works does, then the county may appeal to the Highway Commission. And it also takes care of the situation if the county fails to make a designation that then the Highway Commission can make a designation and the fund will then be made available to the county. Of course, the county has under the other provisions of the bill the right to annually suggest changes in the county primary system Now I think that covers substantially those sections that I was to discuss. The rest of the features of the bill starting with line 24 on page 18 has to do with the subject mostly of taxation and some of the taxation features of the bill, and I have not specifically prepared on that subject, and I would prefer to leave those questions to some other person. I might say that I am willing to at any time, appear before this committee at any time you gentlemen desire and make any explanation that is within my power. I hope that I have explained what is in the bill. I know that from what you have heard you know that that is a drudgery. This is hard work that has to be done You people, if you are going to properly pass on this bill, have to be acquainted with the particular specific provisions of the bill and that is hard work, and it is not glamorous nor is it spectacular, but it is a necessary function and has to be performed by a legislative body, and if I can in any way lighten your burden, I will do the best I can

CHAIRMAN HOLLIBAUGH: Thank you, Senator. That was a very enlightening analysis, and I know it has straightened out several things in my mind, and we are very grateful to you, and we will have you back, at least with your amendment.

SENATOR COLLIER: Mr. Chairman and gentlemen of the committee, I just want to call your attention to the fact there has been many of the Senate with us this afternoon, showing that they have a deep interest in this subject. Senator McCormack, Senator Powers, President pro Tempore, and now a member of the interim committee; Senator George Hatfield, Senator Ben Hulse, Senator James J. McBride, and Senator Carter who just spoke to you on the legal phase of Senate Bill No. 5; Senator Jespersen, Senator Mayo, Senator Judah, Senator Quinn, Senator Crittenden, Senator Burns, and Senator Breed. I think they are here because they want to express to you by their presence that they are interested in a highway program for the State of California.

I might say at this time I would like, if it were permissible, to ask Senator Breed to come forward and Senator Breed will now talk to you.

CHAIRMAN HOLLIBAUGH: All right.

ASSEMBLYMAN THOMAS: Will all the Senators be available in the future for questioning?

CHAIRMAN HOLLIBAUGH: I imagine they will make themselves available.

SENATOR CARTER: I intend to be back, but I assume that you gentlemen have asked me all the questions that you wanted. If you desire any in the future just notify me and I will be here.

ASSEMBLYMAN THOMAS: I had one question I wanted to ask dealing with private utilities.

SENATOR CARTER: Well, I covered that phase of it. I will answer it as best I can.

ASSEMBLYMAN THOMAS: There is no provision in the bill as to the cost to small private utilities.

SENATOR CARTER: (Interposing) Any private utility.

ASSEMBLYMAN THOMAS: That is not able to defray the expenses which may be incurred in the construction of freeways and highways, and they maybe called upon to undergo a great deal of expense which perhaps maybe a bankruptcy thing for them. I wanted to know the reason why that section of that feature of it was never considered to be important enough to put into the bill.

SENATOR CARTER: It was considered. Quite a lengthy argument over it. Let me say this, that in the bill now there is no provision for the adoption by the State of any of the costs of removal or relocation of the private utilities' facilities caused by the construction or the reconstruction of this expressway system or any other state highways. And that applies to the large and small utilities alike. It applies whether they are able to or not able to pay for it. But the subject was discussed. The private utilities amendment was adopted once and then reconsidered and rejected, but Senator Collier has offered to and is now preparing, I don't know whether he has prepared yet, a bill, a separate bill which will consider the utility subject as a separate problem, and will present to the committees of the Senate, to the Senate, and to the committees and depending upon what the Senate does with it, it will get here. You still, of course, have the power to introduce your own legislation, but at the time this bill was passed from the floor Senator Collier made an offer, and I know he intended to live up to it, to prepare a bill which will cover the problem, and the result that will be reached will be the whole result that will be

reached by the consideration in the Senate. Now, that, Mr. Thomas, is the history of what happened and what we expect to happen in the future.

ASSEMBLYMAN THOMAS: Why wasn't that inserted in this bill?

SENATOR CARTER: Well, the point I make is that it was not inserted because there was considerable opposition to the amendment. Now you present the case of the small utilities. There is also the large utilities, and we are getting into argument there. That is outside of explanation. But I will try to give you the argument that was used to defeat the private utility amendment. In the first place, it was thought that the private utility amendment that was offered by Senator Desmond was much too vague. It didn't have enough limiting features. It would take considerable time to go into the details of that, but, nevertheless, most of these private utilities are using the right of way, that is using the highway rights of way under either a franchise or a permit, which is contractual in nature, and one of the component parts of that contaret is that if there is a change in the highway that the facilities of the utilities have to be moved at the expense of the utility, if I understand several sections of the existing law that carries that type of provision in it. Now to adopt the amendment there was offered would be to change completely the contractual obligations that were involved and it presents a very serious constitutional question on which we have had two or three conflicting opinions, so that when we got all through they rejected the utility amendment and are using a vehicle of a second amendment to attempt to solve the problem.

CHAIRMAN HOLLIBAUGH: Senator Carter, will this bill be introduced in the regular or special session?

SENATOR CARTER: Senator Collier tells me it will be introduced in the regular session.

SENATOR COLLIER: The matter of the utilities was not discussed in the committee, although the interim committee did have a hearing on the subject at Santa Ana. And the fact that it was thoroughly discussed and we did not have a good estimate of what it would cost, it was a question to put it in the bill or not. I might say further that we did take care of the public utilities through the Jespersen amendment which is in the bill. The Senate did put in the private utilities and it was taken out of the bill. We are starting tomorrow some conferences to work out the problem as to getting under or over these freeways for the private utilities. And it isn't the desire of the author to wreck the financial structure of any private corporation in building these highways. I feel personally that if the department and the utilities themselves were called upon to bear an important share of these changes that there would be fewer changes added and there would be less expense for all concerned. We hope to work something out and we might have an amendment before this bill leaves your house. I'd like at this time to ask that you hear from Senator Breed. He has been here all afternoon and I would appreciate it if you would hear from him.

ASSEMBLYMAN R. C. DILLS: Mr. Chairman, is it possible to ask a question of Senator Carter before he leaves?

CHAIRMAN HOLLIBAUGH: After Senator Breed is finished, if you don't mind.

ASSEMBLYMAN R. C. DILLS: Well, I think Senator Breed plans to be here with us several days. He won't mind, I'm sure.

CHAIRMAN HOLLIBAUGH: Let the Senator go ahead.

ASSEMBLYMAN R. C. DILLS: Then I am not privileged to ask a question?

CHAIRMAN HOLLIBAUGH: Well, we will ask you to wait. Senator Carter, can you wait a few minutes?

SENATOR CARTER: Yes.

SENATOR BREED: Chairman and gentlemen of the committee, I would like to discuss with you some of the principles and policies in back of this bill, and probably the best way I can do it is to discuss some of the history of the California highways. First off, I would like to say, however, that the presence of the Senators here, I want you to understand, it is to be of assistance to you in the consideration of this bill. We have wrestled around with this bill for some time in the Senate and by having a full and complete discussion in committee and on the floor, I think we do have a pretty good understanding of the bill. With the purpose of endeavoring to be helpful to you upon your request, we come here and I know that all of us would be glad to help clear up any point if you have any questions of any of us and all of us. So, I invite you to be perfectly frank to ask questions of any of the Senators because we are here to give you information to the best of our ability.

Now, concerning the matter of policies of this bill, I think it will be helpful if we go back and consider some of the history of highways in California Originally the highways were considered exclusively a county charge, and then after survey by joint committee, it was found that the sentiment of the people of California desired the highway system and the finances to take care of that system. Prior to that there had been, of course, an intervening step of a bond issue which was hoped at that time to build the inter-highway system and then this committee brought in a bill that provided for a 2-cent gas tax, and that was for an allocation to the counties and for maintenance, repair, and up-keep of the State Highway System. It was very soon realized that it was necessary to have an additional 1 cent in order to finance new construction of highways and that was done. And then subsequent thereto, it was found that by natural evolution and with the increase in motor vehicle registration that the needs will becoming ever greater in the metropolitan areas, and the Legislature proposed to pass bills that would allocate the two quarter cents to the city Now, the State Highway System even before the war, those of you who have been here and listening to the problems of the highways will remember that it was now recognized that our highway system was far behind every year. We were just losing ground. In other words, the demand for highways were becoming greater and greater all the time and the finances were not able to met those demands. And then in the 1933 Session of the Legislature there were a substantial number of bills added to the State Highway System which as you know, put immediately upon the State the responsibility of maintaining that highway, and so, on the one hand, we have the increased adding of miles, and, on the other, we have the matter of the increased allocation away from the state highway purposes to cities, and that aggravated the situation all the more, so that brings us up to the present situation. Or I should say, we got into the war situation and where there were not major constructions able to be performed upon the state highway. Now here is the interesting thing, that with it all, we find that our sights are getting higher and

higher all the time which demands additional costs as far as the highways are concerned, because, where before, we were satisfied with the two-lane highway and then possible a three-lane highway, now with the increased travel within our cities and within our state highways generally, the increased registration of all types of vehicles, it was necessary to have these four-lane divided highways. And the longer we go, the greater we want our highways. And so, therefore, we have found that it is absolutely necessary to ask the entire State to improve our highways to a much greater extent than in the past in old days of the bond issue, or the days even when we had the 3-cent gas tax, when it was first affected. Now we are beginning to enter a new era in highway construction and financing in the State of California, and it is part of a national trend, and that is the matter of alleviating the terrific traffic congestion within cities; and, as I said very briefly, originally the highways were considered a county charge, and then later the State recognized its responsibility on the State Highway System and then later recognized its obligation to the cities.

Now, the new phase we are entering upon is to recognize the needs between the metropolitan areas and the needs of farm-to-market roads. The need within the metropolitan areas, if we are to have any kind of an integrated highway program, one that adequately serves the needs of the people of the State of California. And so, in drawing this bill, the committee in the Senate in passing it thought that it was accurately drawn as well as could be done and there is some room for argument here, and, of course, that is your privilege to express your own views, but we were endeavoring to and thought that we did a pretty good job in the matter of levying the taxes that would accurately meet the cost of the highways and take care of the need within the metropolitan areas. And we felt that this bill is a fair bill for the rural areas and for the metropolitan areas, a balanced program.

Now, no bill could be sound and could merit any support unless it is a bill that looks at the State as a whole and looks at the problem within the metropolitan areas and the rural areas in the north and south, and that is what we believe we have here, and which I wish to point out to you. But the needs are becoming ever greater, I believe that the time has come and the sentiment generally throughout the State calls for something to be done to alleviate the terrific traffic congestion, and I point particularly to within our metropolitan areas. I don't need to point out the intolerable conditions that do exist in these metropolitan areas. You have them in your district, and I have them in mine. And they certainly exist from one end of the State to the other. And in that spirit of a balanced program, and one to meet the needs both fairly throughout the State and looking at the State as a whole, I wish to leave that thought with you.

CHAIRMAN HOLLIBAUGH: Any questions? I see no hands up. I wish to thank you Senator Breed for appearing here.

ASSEMBLYMAN THOMAS: I would like to ask Senator Collier some questions.

CHAIRMAN HOLLIBAUGH: Well, just a moment until we get Senator Carter out of the way.

ASSEMBLYMAN R. C. DILLS: It may well be that Senator Collier can answer the question. I appreciate that Senator Carter had done his fair

share of the difficult job that the Senators are undertaking, and perhaps his laryngitis wouldn't be aided by my asking him the question. I could direct them to Senator Collier.

SENATOR CARTER: If I can't answer the question, I will tell you very quickly.

ASSEMBLYMAN R. C. DILLS: I am sure you can answer it, but I think it is more particularly in his field, because it does affect the question of utilities. The cost of relocation to the utilities.

SENATOR CARTER: I would prefer you ask Senator Collier

CHAIRMAN HOLLIBAUGH: That is fine.

ASSEMBLYMAN R. C. DILLS: I wanted to know why, Senator Collier, the distinction was made between the private utilities and the public utilities in this act?

SENATOR COLLIER: I think it was just a pure legislative operation In the first place the amendments both came in on the same day. Both amendments went in and the Jespersen amendment taking care of public utilities and the Desmond amendment that took care of the private public utilities. They were both put in the measure. Members of the Senate who were honestly for the measure were against continuing the Desmond amendment in the bill, so we took them out, and we feel that the further reason why they were taken out, because they were not studied in the committee. And there is a question of constitutionality of giving away of public property. You will find out, Mr. Dills, if you will take time to read them in the Senate Journal of the extraordinary session—you will find the complete opinions of Fred Wood himself, and you will find his reasoning there. The night that the Desmond amendment was being discussed, one of the Senators hurriedly read Mr. Wood's opinion and said that he had reversed himself from the previous opinion as to giving away public property, and we find upon thorough reading of that opinion that Mr Wood does not reverse himself, and those opinions take very careful study.

SENATOR R. C. DILLS: Was the Mr. Wood's opinion directed to the question of paying these cases for the publicly owned public utilities?

SENATOR COLLIER: Yes, they were.

ASSEMBLYMAN R. C. DILLS: And he did see a distinction between the two?

SENATOR COLLIER. I think in some cases there is a distinction. Just a minute, my lawyers disagree, which is usual. But in some type of public utilities there is a distinction. There was a further distinction that came into the discussion in the Senate that the question of putting aside depreciation reserve, those being allowed by the Interim Revenue Act and other acts, so stated that some cities were not allowed to carry over at the end of the year their savings as far as their utilities was concerned. They went back to the general fund. They stated that private utilities had set aside about three-hundred million dollars to take care of contingencies of this kind and had taken the money from their customers and had set this money aside in a depreciation reserve fund.

ASSEMBLYMAN R. C. DILLS: In connection with the bill as presently drawn up and before us, does the State assuming the cost of these utility facilities apply only to the $214,000,000 gold-plated freeways which were added February 3d, or does it apply to all of them?

SENATOR COLLIER: I would say that there are no gold-plated freeways in here, but it would apply to all expressways or freeways.

ASSEMBLYMAN R. C. DILLS: Does it apply exclusively to the 67.4 miles, or does it apply to other miles?

SENATOR COLLIER: It applies to all the mileage in the expressway system.

ASSEMBLYMAN R. C. DILLS: Has your committee given consideration to additional cost over and beyond the cost which is estimated it would take to meet the most recent critical deficiency by the addition of this burden upon the State?

SENATOR COLLIER: The interim committee did not, but since then we have figured—it is a very difficult thing to estimate what the cost would be. It is estimated anywhere from twenty-five to fifty million dollars.

ASSEMBLYMAN R. C. DILLS: Twenty-five to fifty million dollars for the whole job?

SENATOR COLLIER: What do you mean the whole job?

ASSEMBLYMAN R. C. DILLS: Well, I mean for all of the expressways that are included in your bill.

SENATOR COLLIER: It is estimated on the public utilities and the private public utilities as far as the expressway system is concerned, that it would cost someone twenty-five to fifty million dollars to make those changes.

ASSEMBLYMAN R. C. DILLS: That someone would be the State of California.

SENATOR COLLIER: Well, not necessarily. You might actually say it would be those who use the highways, or it might be those who use the services.

ASSEMBLYMAN R. C. DILLS: Well, you are not putting a toll meter on them yet, but in effect if the State undertakes this as a matter of policy the State will be obliged to do that work, isn't that correct?

SENATOR COLLIER: That is right. Now the assumption on your part is that the State is undertaking both of them. Then it would naturally have to come out of the Highway Users Tax Fund.

ASSEMBLYMAN R. C. DILLS: How much additional moneys are we binding ourselves to by the voting of such a policy in the bill, and you estimate variously from twenty-five million to fifty million dollars?

SENATOR COLLIER: Those are the figures given to me.

ASSEMBLYMAN R. C. DILLS: By whom?

SENATOR COLLIER: I inquired of the Department of Public Works.

ASSEMBLYMAN RALPH C. DILLS: Did you inquire—I am asking this because I attempted to get the same information from the publicly owned and the privately owned public utilities, and they said it is just impossible to calculate, and if it would be for them, I wonder how the Division of Highways can do it with such facility.

SENATOR COLLIER: Pardon me for interrupting, but I am not leaving the impression with you that they are doing it by handsprings. That is only a guess, or an estimate, at best They are not saying that.

ASSEMBLYMAN RALPH C. DILLS: So that, in effect, we don't really know what sum of money we are committing ourselves here to when we adopt this policy, either for public or private utilities.

SENATOR COLLIER: I don't think we can say with any degree of accuracy.

ASSEMBLYMAN RALPH C. DILLS: Now, one other question. I was a little bit surprised to learn that you were going to place the bill which would bring the private utilities into this picture in the regular session, rather than the extraordinary session. What is the purpose of segregating the two subject matters in the present highway program?

SENATOR COLLIER: I don't think it would make any difference, either one I thought it was somewhat of a sacrifice to give up one point for this subject.

ASSEMBLYMAN RALPH C DILLS: You wouldn't have to do it if you put it in the special session..

SENATOR COLLIER: Either would be satisfactory to me, or both if that would be satisfactory to you.

ASSEMBLYMAN RALPH C. DILLS: It is your bill, and you have to make a case for it. I was just concerned about why it should go into the regular session because there seemed to be such great concern that we get along with the program in the special session.

SENATOR COLLIER: Well, I think the only portion of the subject matter that is of great concern and I think that portion is the crossing of utilities either under or over a highway. I don't think that they are so greatly concerned about the removal of the utility. For instance, the State Highway Systems are being taken from an ordinary highway and being made into an expressway where the utilities, either public or private, got on to that state road or highway by virtue of a permit agreement, I think that is not the present problem. I think that is one reason why it could be divided into two sections.

ASSEMBLYMAN RALPH C. DILLS: Do you know, Senator Collier, whether or not Governor Warren has expressed himself as to a policy on this problem we are discussing as to whether or not the State should undertake either the payment of the privately owned or the publicly owned public utilities?

SENATOR COLLIER: Well, I think that is a question you will have to take up with Governor Warren.

ASSEMBLYMAN RALPH C. DILLS: Well, I asked if you knew.

SENATOR COLLIER: No.

ASSEMBLYMAN RALPH C DILLS: I thought it might have some effect on putting it in a separate bill. If he were to veto it, then it is dead, but if you put it into Senate Bill No 5, then it remains in the bill.

SENATOR COLLIER: I have never asked him.

CHAIRMAN HOLLIBAUGH: I might interject the remark that I asked the question about which section because I thought the thing might fold up. And now it is getting to the end, the bill might not get on to his desk.

SENATOR COLLIER: I think, Mr. Chairman, the subject is so broad that those who are concerned about it are agreeable to narrowing the subject down and fighting that out immediately and the broad subject matter is to be taken up at a later date.

ASSEMBLYMAN THOMAS: One question that was asked all of the witnesses during the past week was what control if any, should the Legislature keep on the expenditures after the bill is passed.

CHAIRMAN HOLLIBAUGH: Pardon me, because we did not complete all of our hearing this afternoon, Assemblyman Thomas, I discussed it with Senator Collier and we decided to continue this until tomorrow

afternoon. He will be available then and so will the other members of the staff, and it is getting about time to recess.

ASSEMBLYMAN THOMAS: I can stay here all week.

CHAIRMAN HOLLIBAUGH: I know, but you are are only one of 120.

ASSEMBLYMAN THOMAS: I don't like to see this bill heard in one day or two days.

CHAIRMAN HOLLIBAUGH: That is all right, but, after all, we have to eat.

ASSEMBLYMAN THOMAS: I will make the motion that we adjourn until tomorrow afternoon at 2 p.m.

ASSEMBLYMAN GLEN ANDERSON: I wanted to ask a question on the same thing we were talking about.

CHAIRMAN HOLLIBAUGH: Well, let's warm it up tomorrow. So ordered then, if there is no objection.

(Thereupon the meeting was adjourned at 5.15 p.m.)

REPORTER'S CERTIFICATE

This is to certify that I, W. J. Cossette, a phonographic reporter, was present at the time and place the foregoing proceedings were had and taken before Assemblyman Hollibaugh, Chairman of the Assembly Committee on Revenue and Taxation in the Assembly Chamber of the State Capitol at Sacramento, California, on Monday, March 17, 1947, and that as such phonographic reporter, did report the reports and proceedings and phonographic writing, and afterwards caused the said phonographic writing to be reduced to long-hand typewriting and the foregoing proceedings beginning at the top of page 1 to and including line 18 of page 29 here constitutes a full, true, complete, and accurate transcription of the aforesaid proceedings.

Dated this third day of April, 1947.

W. J. COSSETTE, Reporter

ADJOURNMENT

At 12.05 p.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11 a.m., Thursday, May 22, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

SIXTY-SEVENTH LEGISLATIVE DAY
ONE HUNDRED THIRTIETH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Thursday, May 22, 1947

The Assembly met at 11 a.m.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Fletcher, Gaffney, Gannon, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Nicholson, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—77.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

Let us pray: O God, whose property is always to have mercy and to spare, receive our humble petition, that we, and all Thy servants who are bound by the chain of sins, may by the compassion of Thy goodness, mercifully be absolved, and serve Thee henceforth in joy and hope, through Christ Our Lord—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. McCollister, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following members were granted leaves of absence for the day, and desired to waive their per diems:

Mr. Field, by unanimous consent.

Mr. Clayton A. Dills, on motion of Mr. Evans.

RESOLUTIONS

The following resolution was offered:

By Mr. Dickey:

House Resolution No. 48

Resolved, That the Controller be and he is hereby authorized to draw his warrant on the Contingent Fund of the Assembly in favor of the persons or firms listed below and for the amounts of money set opposite their respective names, and as itemized below, and the State Treasurer is hereby authorized and directed to pay the same:

Department of Finance (typewriter service)	$5 26
Department of Finance (refinish desk)	20 45
Department of Finance (removal of buzzer)	11 00
Sam S. Frieden (lettering on panels)	34 10
Western Union (telegrams)	13 79
H. S. Crocker Company, Inc. (supplies)	3 84
Cascade Towel Supply (towel service)	51 00
Pacific Telephone and Telegraph Company (tolls)	5 75
Pacific Telephone and Telegraph Company (tolls)	185 95
Bureau of Purchases (supplies)	119 24
Rogers Letter Shop (mimeographing)	2 82

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 48, at this time, without reference to committee or file.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Allen, Anderson, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Evans, Fletcher, Gaffney, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinton, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, Price, Robertson, Rosenthal, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—70.

NOES—None.

REPORTS OF STANDING COMMITTEES

Committee on Governmental Efficiency and Economy

ASSEMBLY CHAMBER, SACRAMENTO, May 22, 1947

MR. SPEAKER: Your Committee on Governmental Efficiency and Economy, to which was referred:

Senate Bill No. 3

Has had the same under consideration, and reports the same back with amendments with the recommendation: Amend, and do pass, as amended.

CAREY, Vice Chairman

Above reported bill ordered to second reading.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, May 19, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate amended, and on this day passed, as amended.

Assembly Bill No. 45

And respectfully requests your honorable body to concur in said amendments.

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

CONSIDERATION OF SENATE AMENDMENTS (BY UNANIMOUS CONSENT)

Assembly Bill No. 45—An act to amend Section 142 of the Vehicle Code, relating to vehicles exempted from registration.

The question being: Shall the Assembly concur in the following Senate amendment to Assembly Bill No. 45?

Amendment No. 1

On page 2 of the printed bill, between lines 19 and 20, insert

"(8) A trap wagon moved from one part of a ranch to another part of the same ranch or from one ranch to another, which is only incidentally operated or moved on a highway."

The roll was called, and the Assembly concurred in Senate amendment to Assembly Bill No. 45 by the following vote:

AYES—Allen, Anderson, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Evans, Fletcher, Gaffney, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinton, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Nicholson, Price, Robertson, Rosenthal, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—70

NOES—None.

Assembly Bill No. 45 ordered enrolled.

ALL MATTERS ON FILE CONTINUED

By unanimous consent, all matters on file were continued until the next legislative day.

ADJOURNMENT

At 11.05 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 12 m., Monday, May 26, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

SIXTY-EIGHTH LEGISLATIVE DAY
ONE HUNDRED THIRTY-FOURTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Monday, May 26, 1947

The Assembly met at 12 m.

Hon. Sam. L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sherwin, Sillman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—75.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

We offer unto Thee, O Lord, this prayer, beseeching Thy clemency, that it may ascend as a sweet odor before Thy Divine Majesty, for the guidance of our legislators, and for the welfare, both temporal and eternal, of all the citizens of this State—AMEN.

PLEDGE OF ALLEGIANCE TO THE FLAG

Upon request of the Speaker, the Assembly gave the pledge of allegiance to the Flag.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Weber, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. Hinckley, on motion of Mr. Dickey.

The following members were granted leaves of absence for the day, and desired to waive their per diems:

Mr. Debs, on motion of Mr. Dickey.
Mr. Allen, on motion of Mr. Dickey.
Mr. Field, on motion of Mr. Dickey.

CONSIDERATION OF DAILY FILE

SECOND READING OF SENATE BILLS

Senate Bill No. 3—An act to amend Sections 102, 108, and 128 of, to add Division 2A, comprising Sections 139 to 139.61, inclusive to, and to repeal Sections 111, 113, 116, 117, 119, 120, 121, 122, 123, 124, 124.2, 125, 126, 135, 135.5, 135.8, 486, and 489 of, the Vehicle Code, providing for the reorganization of the California Highway Patrol, abolishing the Division of Enforcement of the Department of Motor Vehicles, establishing a Department of Highway Patrol and Safety and prescribing its powers, duties, purposes, and functions, providing for the transfer of records and property; and to make available money for the support of said department.

Bill read second time.

Consideration of Committee Amendments

The following amendments were proposed by the Committee on Governmental Efficiency and Economy:

Amendment No. 1

On page 3 of the printed bill, as amended in the Assembly on May 12, 1947, strike out lines 40 to 49, inclusive.

Amendment No. 2

On page 4 of said bill, strike out lines 13 and 14, and insert "The chief under the commissioner shall be the commanding officer of the California Highway Patrol."

Amendments read, and adopted.

Bill ordered reprinted, and to third reading.

MOTION TO APPROVE JOURNALS

Upon motion of Mr. Dickey, the Journals for Monday, May 19, 1947; and Thursday, May 22, 1947, were approved as corrected by the Minute Clerk.

REPORTS OF STANDING COMMITTEES

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, May 23, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:

Assembly Bill No. 45—An act to amend Section 142 of the Vehicle Code, relating to vehicles exempted from registration;

And reports that the same has been correctly enrolled, and presented to the Governor on the twenty-third day of May, 1947, at 3 p.m.

WEBER, Chairman

Committee on Revenue and Taxation

ASSEMBLY CHAMBER, SACRAMENTO, May 23, 1947

MR. SPEAKER: Your Committee on Revenue and Taxation, to which was referred: Senate Bill No. 15

Has had the same under consideration, and reports the same back with the recommendation: Do pass.

HOLLIBAUGH, Chairman

Above reported bill ordered to second reading.

ALL MATTERS ON FILE CONTINUED

Mr. Dickey asked for, and was granted, unanimous consent that all matters on file be continued until the next legislative day.

ADJOURNMENT

At 12.05 p.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11 a.m., Thursday, May 29, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE

FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

SIXTY-NINTH LEGISLATIVE DAY

ONE HUNDRED THIRTY-SEVENTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO

Thursday, May 29, 1947

The Assembly met at 11 a.m.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—77.

Quorum present.

PRAYER

Upon request of the Speaker, the following prayer was offered by Monsignor Thomas A. Kirby:

Cleanse my heart and my lips, O Almighty God, as Thou didst cleanse the lips of the Prophet Isaias with a burning coal, and vouchsafe in Thy loving kindness so to purify me that I may worthily lead these people in prayer and beg Thy blessing upon them and all those whom they represent—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Dunn, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. Hinckley, by unanimous consent.

The following member was granted leave of absence for the day, because of legislative business elsewhere:

Mr. Lester T. Davis, by unanimous consent.

The following member was granted leave of absence for the day, and desired to waive his per diem:

Mr. Field, by unanimous consent.

REQUEST FOR UNANIMOUS CONSENT THAT REPORT BE GIVEN VERBALLY RELATIVE TO THE HIGHWAY PROGRAM AND THAT WRITTEN REPORT BE LATER PRINTED IN THE JOURNAL

Mr. McCollister asked for, and was granted, unanimous consent that he be permitted to give a verbal report relative to the outcome of the deliberations of the Joint 10-Man Committee on the Highway Program; and that the written report now being prepared be ordered printed in the Journal at a later date.

OTHER MEMBERS OF THE COMMITTEE MAKE REPORTS

By request of Speaker Collins, Messrs. Geddes, Hollibaugh, and Dunn made verbal reports relative to the conclusions of the Joint 10-Man Committee on the Highway Program.

CONSIDERATION OF DAILY FILE
SECOND READING OF SENATE BILLS

Senate Bill No. 15—An act to amend Sections 7401, 8101, 8102, and 8103 of, and to add Section 8103.5 to, the Revenue and Taxation Code, relating to motor vehicle fuel license taxes.

Bill read second time.

Motion to Amend

Mr. Hollibaugh moved the adoption of the following amendment:

Amendment No. 1

On page 1 of the printed bill, as amended in the Senate on March 18, 1947, between lines 18 and 19, insert

"(d) Motor vehicle fuel sold to the United States armed forces for use in ships or aircraft, or for use outside this State."

Amendment read.

Point of Order

Mr. Stewart arose to the following point of order: That Messrs. James and Wollenberg are not speaking to the question.

Ruling by Speaker

Speaker Collins ruled the point of order well taken.

The question being on the adoption of the amendment offered by Mr. Hollibaugh to Senate Bill No. 15.

The roll was called, and the amendment adopted by the following vote:

AYES—Allen, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burns, Butters, Caldecott, Carey, Clarke, Collier, Conrad, Cooke, Cramer, Crichton, Crowley, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Dunn, Elliott, Erwin, Evans, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Heisinger, Hinton, Hollibaugh, Huyck, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, Miller, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Waters, and Mr. Speaker—62.

NOES—George D. Collins, Doyle, James, and Wollenberg—4.

Bill ordered reprinted, and to third reading.

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following bill was introduced, and read the first time:

Assembly Bill No. 46: By Messrs. Burns, Sheridan, Erwin, Gaffney, Boyd, Brown, Butters, Caldecott, Carey, Clarke, Collier, Cramer, M. Philip Davis, Grunsky, Heisinger, Hinton, Kirkwood, Loomis, Maloney, McCollister, Miller, Sherwin, Stanley, Stewart, Thomas, Thurman, and Wollenberg—An act to provide for a System of Public Streets and Highways in this State and for the financial support thereof, including the levying of taxes therefor, and relating to vehicles thereon and for that purpose to repeal Article 2 of Chapter 2 of Division 1 and Sections 180, 188, 190, 191, 203, 232, 1021, 1022, 1023, 1024, 1621, 1625.5, 1626, 1626.5, 1627, and 1628 of, to amend Sections 143, 181, 183, 189, 193, 194, 195, 300, 458, 461, 467, 823, 824, 1028, 1029, and 1622 of, and to add Division 3, and Article 2.5 of Chapter 3 of Division 1, and Sections 29, 74, 143.1, 143.2, 188, 188.4, 521, 522, 523, 524, 525, and 526 to, the Streets and Highways Code, to repeal Sections 276.5, 779, 780, and 782, and to amend Sections 276, 277, 370, 372, 381, and 781 of, and to add Section 372.1 to the Vehicle Code, and to repeal Part 4, comprising Sections 9601 to 10501, inclusive, of Division 2 and Sections 8353, 8353.5, 8354, 8355, 8356, 8357, and 8358 of, to amend Sections 7351, 8352, 8651, 9302, 9303, and 9304 of, and to add Section 8353 to, the Revenue and Taxation Code, and to amend Section 7 of Chapter 788 of the Statutes of 1937.

Referred to Committee on Revenue and Taxation.

ALL MATTERS ON FILE CONTINUED

By unanimous consent, all matters on file were continued until the next legislative day.

ADJOURNMENT

At 11.05 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 12.05 p.m., Monday, June 2, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE

FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

SEVENTIETH LEGISLATIVE DAY

ONE HUNDRED FORTY-FIRST CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO

Monday, June 2, 1947

The Assembly met at 12 m.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohminus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Fletcher, Gaffney, Gannon, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Robertson, Rosenthal, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—74.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

Therefore, we beseech Thee, O Lord, graciously to accept this offering of our service as also of Thy entire family and to dispose our days in Thy peace, preserve us from eternal damnation and number us in the flock of Thy elect, through Christ Our Lord—AMEN.

PLEDGE OF ALLEGIANCE TO THE FLAG

Upon request of the Speaker, the Assembly gave the pledge of allegiance to the Flag.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Crowley, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following members were granted leaves of absence for the day, because of illness:

Mr. Hinckley, by unanimous consent.

Mr. Price, by unanimous consent.

The following member was granted leave of absence for the day, because of legislative business elsewhere:

Mr. Thomas, by unanimous consent.

The following members were granted leaves of absence for the day, and desired to waive their per diems:

Mr. Field, by unanimous consent.

Mr. Geddes, by unanimous consent.

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following resolution was offered:

Assembly Joint Resolution No. 7: By Messrs. Dunn, Geddes, Hollibaugh, Lyons, Cooke, Crichton, and Robertson—Relative to memorializing Congress to repeal the 1½-cent federal gasoline tax.

Referred to Committee on Rules.

MOTION TO APPROVE JOURNALS

Upon motion of Mr. Ralph C. Dills, the Journals for Monday, May 26, 1947; and Thursday, May 29, 1947, were approved, as corrected by the Minute Clerk.

ALL MATTERS ON FILE CONTINUED

By unanimous consent, all matters on file were continued until the next legislative day.

ANNOUNCEMENT OF COMMITTEE MEETINGS

It was announced that the following committee would hold a meeting:

At 2 p.m., on Friday, June 6th—

Revenue and Taxation (to hear Assembly Bill No. 46).

REPORT TO ASSEMBLY BY MEMBERS OF JOINT COMMITTEE TO STUDY HIGHWAY LEGISLATION ORDERED PRINTED IN THE JOURNAL

By unanimous consent, which was granted on Thursday, May 29, 1947, the report which appears below was ordered printed in the Journal, in 10-point type:

REPORT TO ASSEMBLY BY MEMBERS OF JOINT COMMITTEE TO STUDY HIGHWAY LEGISLATION

SACRAMENTO, June 2, 1947

MR. SPEAKER: Pursuant to Senate Concurrent Resolution No. 3, the undersigned Members of the Assembly, heretofore appointed by you as the Assembly members of the Joint Committee to Study Highway Legislation, report as follows:

The committee met with the Members of the Senate on seven occasions. We took as a framework for our study Senate Bill No. 5, as same had been passed by the Senate.

At our first meeting we agreed that the need was as described by Mr. C. H. Purcell, Director of the Department of Public Works, as concurred in by the Governor, namely, $75,000,000 a year for new construction and rights of way for the State Division of Highways, exclusive of maintenance and administration, together with a further need of $18,500,000 for cities and counties, or a total estimated need of $93,500,000 a year, or $935,000,000 over a 10-year period. The additional moneys for cities and counties were approved by the committee during the first meeting, and a provision requiring approval by the Legislature of the State Highway Division budget, as amended into Senate Bill No. 5 in the Assembly, was also approved.

At the meeting held on May 20, 1947, Messrs. Geddes and Hollibaugh jointly presented a revenue program outlining funds available from present sources. Their report suggested new and additional revenues to meet the estimated need as above outlined, without any increase in the gasoline tax. Their proposed program is attached to this report as "Exhibit A." The increased truck taxes, plate fees, and drivers' license taxes, as proposed by Messrs. Geddes and Hollibaugh, were approved by the committee. Proposals to transfer to the Highway Fund the in lieu tax now going to the General Fund, and to appropriate $45,000,000 from the General Fund to the Highway Fund (because the 3 percent gross receipts tax has heretofore gone to the General Fund instead of to the Highway Fund) were defeated by five to five votes (all Assemblymen voting "Aye" and all Senators voting "No").

At the meeting of May 21, 1947, Assemblyman Dunn presented a revenue plan outlining a proposal to meet the estimated need of $935,000,000 for a 10-year period by an increase in plate fees, a charge for drivers' licenses and an increase in truck revenues. Mr. Dunn's proposal pointed out that his plan was based on the study of the California Major Highway Development Committee's Subcommittee on Revenues which had been presented to the Collier committee September 25, 1946. A copy of Mr. Dunn's proposal is attached to this report as "Exhibit B."

At the meeting of May 27, 1947, Mr. McCollister presented estimates of future revenues made by the Subcommittee of the California Major Highway Development Committee, and figures from the budget for the coming year (such figures being shown as "Exhibit C" attached hereto), and pointed out that a 1-cent increase in gasoline and fuel taxes, together with the increase in truck taxes already determined by the committee, would supply the need without the necessity of any increase in the plate fees or drivers' licenses. Mr. McCollister moved that the committee

approve a 1-cent increase in gasoline and fuel taxes and no increase in plate fees and only a nominal charge for drivers' licenses, namely, $1 a year for three years. Assemblyman Crichton suggested that this motion by Mr. McCollister should be seconded by a Senator if an agreement were to be reached. However, the motion lost for want of a second.

At the meetings of May 21 and May 27, 1947, all five Senators voted in favor of a 2-cent increase in gasoline tax and all five Assemblymen voted "No," except that on May 27, 1947, Senator Hatfield was absent.

At the meeting of May 28, 1947, a motion to increase the gasoline tax to 1½ cents received three votes to seven "No" votes. At the meeting of May 28, 1947, Mr. McCollister renewed his motion for a 1-cent increase in gasoline tax. Again the motion was not seconded.

It was then agreed by the members of the joint committee that an agreement between them was impossible and that the committee adjourn and report to their respective houses failure to agree.

It is with sincere regret that we must report our disagreement. All Members of the Assembly delegation devoted many hours to the assigned task and made every effort to concede on all items under discussion Some of your committee believe that a ½-cent increase in the gasoline and fuel taxes will be sufficient, yet all of your Assemblymen serving on this committee desire to find a common ground upon which both houses of this Legislature may act favorably. In this regard, we believe that a maximum increase necessary to meet the program under any circumstances is a 1-cent increase in the gasoline and fuel taxes, and that such an increase, coupled with increased truck taxes, will also be sufficient to obviate the necessity of any increase in plate registration fees for pleasure vehicles, and will further permit only a nominal charge for drivers' licenses, yet the total program can and will meet the acknowledged need of $935,000,000 in 10 years.

Respectfully submitted.

(Signed)

RICHARD H. MCCOLLISTER
J. G. CRICHTON
FRANCIS DUNN
ERNEST R. GEDDES
JONATHAN J. HOLLIBAUGH

EXHIBIT A

A REVENUE PROGRAM

Submitted by Geddes and Hollibaugh

We have assumed that revenue requirements in a highway bill should be such as to:

(1) Give Division of Highways approximately $75,000,000 a year for new construction, rights of way, etc., *after* administration and maintenance, and

(2) Cities and counties should have $18,500,000 a year of new highway funds requested.

Seventy-five million dollars per year is the minimum required for new construction according to Mr. Purcell's statement to the Assembly Revenue and Taxation Committee (Journal March 11, 1947, page 11).

A memorandum sent to all legislators by Governor Warren on February 18th on various subjects pending pointed out that $75,000,000 per year for highway construction was the minimum requirement "Construction" includes acquisition of rights of way, construction, reconstruction, replacement and any improvements excepting maintenance. (Section 1.5 of Senate Bill No. 5.)

We have taken the cities and counties figure of $18,500,000 as we have previously discussed and as this committee has agreed Senate Bill No. 5 creates a Highway Users Tax Fund from which the counties receive "a sum equal to 1 cent per gallon" and "a sum equal to $\frac{3}{8}$ths of 1-cent per gallon" of gasoline taxes. Cities receive "a sum equal to $\frac{5}{8}$ths of 1-cent per gallon" of gasoline taxes.

These amounts to the cities and counties are to come out of this common fund known as the "Highway Users Tax Fund" and the balance after such amounts to cities and counties, remain for the state division. It is not necessary to increase gas taxes six-eighths of a cent per gallon to get the cities and counties their new money "in sums equal to the revenue from six-eighths of 1 cent gas tax." The language in Senate Bill No. 5 is simply a designation of amounts, not of sources of revenue. Mr. Zettel estimates that Senate Bill No. 5 provides the cities and counties each $10,000,000 new revenue per year over a 10-year period or a total of $20,000.000, instead of the $18,500.000 (Page 12 of Zettel's analysis of Senate Bill No. 5).

Referring now to what we deem the requirements in considering the revenues, they are, for the purpose of a discussion, as follows:

State	$75,000,000
Cities and counties	18,500,000
Total	$93,500,000
For 10 years	$935,000.000

From our studies, and we might say that we have heard the entire hearings before the Assembly Revenue and Taxation Committee, we have studied the Kennedy Report and various other reports in connection with the Collier committee, the figures submitted by Senator Collier in response to a letter from Assemblyman Dills (Assembly Journal March 14, 1947) and, as we understand, prepared by the staff committee of the Collier Interim Committee, and to the best of our ability have made a thorough study of available revenue sources as well as revenue requirements. Based on our studies, we submit that the requirements which we have set forth can be met substantially in the following manner: (The references here made are to tables and figures on the pages of Assembly Journal of March 14, 1947, unless otherwise mentioned. These tables are also in Senate Journal for March 3, 1947.)

The Following Are Figures for 10 Years

1.	As will be explained further hereafter, we estimate there is available, after maintenance and administration costs based on revenue estimates of California Major Highway Development Comtee, from	$520,000,000 to	$570,000,000
2.	$6 plate fee instead of present $3 (Table 12, page 14)	134,600,000	134,600,000
3.	New truck taxes to bring additional revenues approximating original Senate Bill No. 5 which can be done entirely by weight fees or partially by weight fees and part by continuing gross receipts tax for highway purposes. Zettel estimated that Senate Bill No. 5 gave $200,000,000 new truck revenue over a 10-year period	180,000,000	180,000,000
4.	Transfer the portion of the in lieu tax now going to General Fund and available after retirement of old highway bonds (Table 3b, page 8)	55,000,000	55,000,000
5.	Drivers' licenses per original Senate Bill No. 5 (Table 12, page 14) will bring in $93,545,000 less for Motor Vehicle Department (Table 3b, page 8) $47,749,000	45,700,000	45,700,000
6.	Federal aid receivable and balance on hand at June 30, 1947 per budget, page 885	48,000,000	48,000,000
7.	Geddes bill to appropriate from General Fund amounts heretofore received from gross receipts tax on trucks	45,000,000	45,000,000
	Totals	$1,028,300,000	$1,078,300,000

As will be seen if these figures are correct, the amounts available from present sources will be from $90,000,000 to $140,000,000 more in a 10-year period than the $935,000,000 we started out to list. If the cities and counties take new money exactly as per Senate Bill No. 5, it will average $20,000,000 a year or $200,000,000 for the 10 years instead of $185,000,000. In arranging our figure we have assumed the $185,000,000 figure for a 10-year period. Perhaps that maximum should be part of this program; that is, have the bill read "a sum equal to three-eighths cent per gallon of gasoline tax but not to exceed $9,250,000 in any one fiscal year."

1. The amount available for new construction and rights of way, after maintenance and administration, from present sources, without any new taxes, we have estimated between $52,000,000 and $57,000,000 per year. In doing this, we take the administration and maintenance figures from Table 9 in Assembly Journal of March 14, 1947, page 11, administration being estimated at $26,000,000 for the next 10 years, maintenance $159,500,000. It will be observed in this Table 9 on page 11 that this schedule shows that from present revenue sources there will be available, according to the revenue estimates there used, over the next 10 years—

For rights of way and construction	$357,158,000
Construction, etc., state highways in cities (possibly part of this is administration and maintenance)	67,900,000
Engineering and planning we listed as construction, as it corresponds to the architect's fee in building	24,200,000
Contingency reserve which should be in the construction column because the department is not going to accumulate such an amount over a period of 10 years and not make use of it	24,800,000
Total	$474,058,000

However, these figures are based on estimates of either the state division or the Collier Staff Committee, and we believe the estimates of the California Major Highway Subcommittee on Revenue as presented to the Collier committee should be used.

It was recognized before the Collier interim committee that the Department of Public Works made the lowest estimates submitted (Transcript of Sept. 25, 1946, page 56, lines 2-3).

Before the McCormack committee, the state division estimated that 1 cent gas tax over a 10-year period would be $20,000,000 a year and to the Collier committee in 1945 made the same estimate. It now estimates that 1 cent would be $27,000,000 a year over a 10-year period. It appears that the California Major Development Committee's estimates as to gas tax returns have been very accurate this fiscal year and for 10 years they say that 1 cent will be a little over $31,000,000 a year ($31,780,000 per year). We think it is important to carry in mind that even as small an increase as 1/10 of a cent per gallon gasoline tax averages over $3,000,000 per year over a 10-year period.

Taking the estimates of the California Major Highway Development Committee, we find that for the next 10-year period they estimate that from present sources the state division will have a total of $743,627,000. Deduct the administration and maintenance figures as set forth in Table 9 on page 11 of Assembly Journal for March 14, 1947, of $185,500,000 for the 10 years and $558,129,000 is available for construction and rights of way. Possibly, the administration and maintenance figures should be a little larger to include the portion of the column in Table 9 on page 11 entitled "¼th cent gas tax state highways in cities, etc." that goes to administration and maintenance However, this estimate may be low inasmuch as this committee's estimate is that federal aid after 1948 will only be $8,000,000 a year and in their report to Collier committee said this federal aid estimate was on the conservative side (p. 46 Collier committee, Sept. 1946). While, as added this figures out $558,129,000 for 10 years, we have estimated it as between $520,000,000 and $570,000,000, because we all recognize there are variables in these estimates and the lower figure allows for greater administration and maintenance costs. We believe, however, the $570,000,000 figure is probably the closer estimate.

The California Major Highway Development Committee consists of 22 organizations, according to our information, and we have copies of their revenue estimate, together with a statement of the organizations constituting their membership, and a list of the members of the revenue subcommittee which made the estimates referred to. We have copies of those estimates and lists for each member of this committee. On copies of the estimates we have shown the totals of the state items of revenue for the years 1947-57, and from that have deducted the administration and maintenance estimates for the Division of Highways which appear in Table 9, Assembly Journal March 14, 1947, page 11.

2 Six dollars plate fee is an increase of $3 and is in accordance with the terms of original Senate Bill No. 5 as it passed the Senate.

We believe that motorists would prefer to pay increased plate fees in one sum, at one time, than to be continually paying increases in gas taxes. This estimate of $134,600,000 for a 10-year period may be low, but it appears in Mr. Zettel's report on Senate Bill No. 5.

3. Truck revenues should be so rearranged and changed to yield $180,000,000 or thereabouts in new highway revenue per year over a 10-year period. The mileage tax and weight taxes as in original Senate Bill No. 5 as it passed the Senate would have yielded approximately $20,000,000 a year in new revenue over a 10-year period. To treble the weight fees paid at the present time would approximate this figure or to continue the gross receipts tax and double the weight fees (that is take the figure on weight fees as in Senate Bill No. 5 as it passed the Assembly) would yield approximately the same amount; however, the gross receipts tax is something the Legislature has twice voted to repeal and probably it may be agreed weight fees are more equitable. Certainly the truck situation requires careful consideration, but should produce substantially the amount that we have mentioned. One principal question we must determine is whether all trucks are to be treated the same or whether for-hire trucks are to bear a larger tax than privately owned trucks.

4. The transfer of the in lieu tax after the requirements to pay off the old bonds is clear from Table 3b, page 8 of the Assembly Journal of March 14, 1947. This additional in lieu tax might go direct to cities and counties if it were not for the fact that cities and counties will get their new money from a common highway fund so under such circumstances it would seem that such funds should go into a common fund for highway purposes rather than the General Fund. There is no need of any of this going to make up the deficiency in the Motor Vehicle Department operations as in the past because they will be taken care of from the new drivers' license fees.

5. Ninety-three million five hundred forty-five thousand dollars is the amount given in Table 14, as the yield from the new drivers' licenses as per Senate Bill No. 5 as it passed the Senate. Of this the Motor Vehicle Department would require $47,749,000 (Table 3b, page 8) and this would leave for construction purposes $45,700,000 over a 10-year period. Mr. Zettel's analysis of Senate Bill No. 5, page 12, which shows new revenue from operators' and chauffeurs' fees as $92,045,000 for 10 years and new revenue to the Department of Motor Vehicles and Highway Patrol of $45,658,500, being substantially the same as the figures in the tables referred to in the Assembly Journal.

6. Federal aid receivable at the end of the current fiscal year is $23,000,000. This appears in the budget at page 885 and the same page of the budget shows that there will be available for the state highways a balance of $25,000,000 at the end of this year. This sum, in my opinion, will be much larger and if it be said that there will be no moneys on hand because contracts will have been let or the money set aside on work orders, the answer is the same because such work would be a part of the program

for the next 10-year period. Hence, we have placed $48,000,000 in our available resources for the next 10-year period from these two items.

7. There is pending in the Special Session a bill to appropriate $45,000,000 from the General Fund to highway purposes. This was prepared based on the fact that in excess of that amount has been paid into the General Fund from the 3 percent gross receipts tax on for hire trucks which funds should have always been used for state highway purposes.

It will be observed that the outline as prepared meets the requirements without any increase in gasoline or fuel taxes. We prepared the amendment that took these items out of Senate Bill No. 5. We did so because we believe the program can be carried out without any such taxes, and we know people prefer that a highway program be carried out without increase in gasoline taxes, if that is possible. The average motorists would rather pay plate taxes, drivers' license fees, and such taxes, at one time, rather than increase a continuing tax on gasoline which is in the nature of a sales tax.

We have not opposed increased gasoline taxes because oil companies have opposed them. We would oppose increased gasoline taxes even if oil companies favored them. Such taxes are not on the oil companies, but on the consumers of gasoline. Taxes on the trucks belonging to the oil companies, plate fees on their automobiles, in lieu taxes on their automobiles, and such taxes, are paid by the oil companies—gasoline and fuel taxes are not.

We do not believe any of us want to increase taxes unnecessarily, and we are sure we can work out this program without any increase in gasoline taxes. Our present 3-cent rate to the State is over $900,000,000 in 10 years and the federal tax of 1½ cents will be another $450,000,000 in the same time, or $1,350,000,000 in gasoline taxes paid by California motorists over the next 10 years under present taxes—$135,000,000 a year, and that, we believe, is enough from that one source.

We wish the members of the committee would study this outline and the figures carefully. We hope they give the basis of a revenue program we can adopt.

FEDERAL AND STATE REVENUES AVAILABLE FOR STATE AND LOCAL HIGHWAY PURPOSES

State of California

Fiscal year	*Federal aid*		*Gasoline tax*			*Motor vehicle registration fees*		*Miscellaneous*	*Total*
	County	*State*	*State*	*Counties*	*Cities*	*State*	*Counties*	*State*	
1946-47	$5,162,000	$17,141,000	$43,194,000	$24,683,000	$6,171,000	$5,562,000	$5,562,000	$2,083,000	$109,558,000
1947-48	5,162,000	17,141,000	49,503,000	28,288,000	7,072,000	6,271,000	6,271,000	2,169,000	121,877,000
1948-49	5,162,000	8,000,000	51,485,000	29,420,000	7,355,000	6,486,000	6,486,000	2,262,000	116,656,000
1949-50		8,000,000	52,663,000	30,094,000	7,523,000	6,642,000	6,642,000	2,361,000	113,925,000
1950-51		8,000,000	53,596,000	30,627,000	7,657,000	6,810,000	6,810,000	2,460,000	115,960,000
1951-52		8,000,000	54,641,000	31,223,000	7,806,000	6,999,000	6,999,000	2,572,000	118,240,000
1952-53		8,000,000	55,796,000	31,883,000	7,971,000	7,203,000	7,203,000	2,690,000	120,746,000
1953-54		8,000,000	57,056,000	32,603,000	8,151,000	7,417,000	7,417,000	2,810,000	123,454,000
1954-55		8,000,000	58,747,000	33,570,000	8,393,000	7,714,000	7,714,000	2,948,000	127,086,000
1955-56		8,000,000	60,579,000	34,617,000	8,654,000	7,968,000	7,968,000	3,087,000	130,873,000
10-year Totals	$15,486,000	$98,282,000	$537,260,000	$307,008,000	$76,753,000	$69,072,000	$69,072,000	$25,442,000	$1,198,375,000[1]
1956-57		$8,000,000	$62,154,000	$35,517,000	$8,879,000	$8,174,000	$8,174,000	$3,225,000	$134,123,000[2]
1957-58		8,000,000	63,554,000	36,317,000	9,079,000	8,335,000	8,335,000	3,370,000	136,990,000[2]
1958-59		8,000,000	64,814,000	37,037,000	9,259,000	8,499,000	8,499,000	3,522,000	139,630,000[2]
1959-60		8,000,000	66,086,000	37,763,000	9,441,000	8,670,000	8,670,000	3,681,000	142,311,000[2]
14-year Totals	$15,486,000	$130,282,000	$793,868,000	$453,642,000	$113,411,000	$102,750,000	$102,750,000	$39,240,000	$1,751,429,000

[1] Estimates by Highway Revenue Estimate Subcommittee of California Major Highway Development Committee as submitted to Collier committee on September 25, 1946

[2] Estimates by Highway Revenue Estimate Subcommittee made subsequent to September 25, 1946, in order to conform with period covered by Kennedy Report as submitted to Collier committee on October 16, 1946

			State Totals 1947-57
10 yrs. 1947-57	$89,141,000	$556,220,000	$71,684,000	$26,584,000	$743,629,000

Administration and maintenance 10 yrs., Assembly Journal, p. 11 185,500,000

Available for construction, rights of way $558,129,000

Organizations Represented in Membership of the California Major Highway Development Committee

California State Chamber of Commerce
San Francisco Chamber of Commerce
Oakland Chamber of Commerce
Los Angeles Chamber of Commerce
San Diego Chamber of Commerce
California Farm Bureau Federation
Automobile Club of Southern California
Western Oil and Gas Association
California Railroad Association
The Truck Owners Association
California State Automobile Association
State Association of County Supervisors
League of California Cities
Automotive Council of Los Angeles
California Retailers Association
California Transit Association
Fresno County Chamber of Commerce
Long Beach Chamber of Commerce
Sacramento Chamber of Commerce
San Jose Chamber of Commerce
Santa Rosa Chamber of Commerce
Stockton Chamber of Commerce

Members of the Highway Revenue Estimate Subcommittee of the California Major Highway Development Committee

James L. Beebe, Los Angeles Chamber of Commerce (Chairman)
Rolland A Vandegrift, Legislative Auditor
Edwin Moore, California State Automobile Association
Alden Fensel, California Taxpayers Association
John M. Peirce, Western Oil and Gas Association
Ernest East, Automobile Club of Southern California
Clark Galloway, California State Chamber of Commerce

EXHIBIT B

REVENUE PLAN PRESENTED TO JOINT COMMITTEE OF TEN BY ASSEMBLYMAN DUNN

I was one of three Democrats appointed as an unofficial committee to study the highway program during the Constitutional recess. Because of that I made a considerable study of various reports and proceedings that had occurred previously and subsequent matters which have been presented to the Assembly.

As my starting point for a revenue plan I take the estimate of the California Major Highway Development Committee that there will be available for the next 10 years from present sources for the state division the amount submitted by that organization to the Collier committee as per Table F in a report submitted September 25, 1946, *amounting to*---------- $819,282,889

(Page 51, transcript of that day.) This total includes $89,226,885 of available funds at the date of their estimate.

The estimate of this organization is emphasized as being on the conservative side (page 38 of transcript September 25, 1946) : "It is our belief that actual revenue yields will exceed the figures contained in our report."

Senator Collier commented after this elaborate report was presented by saying (page 59, transcript of September 25, 1946) : "I think you have presented a fine set of estimates, and very fair, and they will be very beneficial to the committee in making its determinations. I realize the untold hours of work and labor that went into that and we truly appreciate your efforts."

Experience shows that over the previous 10 years about 70 percent of the state division's income were expended on construction and rights of way, 25 percent on maintenance and 5 percent on administration. Applying those percentages to this figure of $819,282,890, gives

70% for construction and rights of way----------	573,497,000
25% for maintenance----------	204,641,000
5% for administration----------	40,964,000

This maintenance figure of $204,641,000 compares with $159,520,000, Table 9, page 11, Assembly Journal of March 14, 1947.

The administration figure of $40,964,000 compares with $26,074,000—Table 9, page 11, Assembly Journal, March 14, 1947.

So taking only 70 percent of present sources as available for new construction and rights of way it will be obvious that many millions more are available for administration and maintenance than estimated as required in Table 9, Assembly Journal, March 14, 1947.

My ideas of the revenue available for new construction and rights of way in the next 10 years would be substantially as follows:

Seventy percent of the present available funds applied to new construction and rights of way gives----------	$573,500,000
Increase plate fees from $3 to $6, will give new revenue of----------	134,600,000
Drivers' license fees as per plan of original Senate Bill No. 5, after deducting for support of Motor Vehicle Department----------	45,800,000
Truck revenues—either continue 3 percent gross receipts tax ($82,200,000 in 10 years—Table 5) and put that in highway fund with additional weight fees or other formula to yield in 10 years total new highway revenue of----------	180,000,000
Total for 10 years----------	$933,900,000
	10 years
The State's new requirement for new construction and rights of way has been set as a minimum of----------	$750,000,000
Cities and counties want $18,500,000 a year----------	185,000,000
Total ----------	$935,000,000

EXHIBIT C

10-YEAR AND ONE-YEAR PROGRAM PRESENTED TO THE JOINT COMMITTEE BY ASSEMBLYMAN McCOLLISTER

10 Year

Present yield as per Development Committee Report	$550,000,000
Increased taxes upon trucks, as already agreed to	180,000,000
One-cent gasoline tax	300,000,000
One-cent diesel fuel tax	10,000,000
Total for 10 years	$1,040,000,000

One Year (Next Fiscal Year)

Available for construction according to budget (pages 879 and 885)	$68,000,000
New truck taxes (the first year is less than 10-year average)	13,000,000
One-cent gas and fuel tax (again, the first year yield is less than the 10-year average)	25,000,000
Total	$106,000,000
Less for cities and counties	$18,500,000
Available to state division for new construction during the next fiscal year	88,500,000
Total	$106,000,000

ADJOURNMENT

At 12.05 p.m., on motion of Mr. Ralph C. Dills, the Speaker declared the Assembly adjourned until 11 30 a.m., Wednesday, June 4, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

SEVENTY-FIRST LEGISLATIVE DAY
ONE HUNDRED FORTY-THIRD CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Wednesday, June 4, 1947

The Assembly met at 11.30 a.m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—76.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

O God, the protector of all who hope in Thee, without whom nothing is strong, nothing is holy; multiply Thy mercy upon us; that with Thee as leader and guide, we may so pass through the goods of this world as not to lose those which are eternal, through Christ Our Lord—Amen.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Knight, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following members were granted leaves of absence for the day, because of illness:

Mr. Hinckley, by unanimous consent.

Mr. Price, by unanimous consent.

The following member was granted leave of absence for the day, because of legislative business elsewhere:

Mr. Thomas, by unanimous consent.

The following member was granted leave of absence for the day, and desired to waive his per diem:

Mr. Geddes, by unanimous consent.

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following bill was introduced, and read the first time:

Assembly Bill No. 47: By Messrs. Butters, Boyd, and Erwin—An act to amend Section 142 of the Vehicle Code, relating to vehicles exempted from registration.

Referred to Committee on Transportation and Commerce.

RESOLUTIONS

The following resolutions were offered:

By Mr. Dickey:

House Resolution No. 49

Resolved, That the Controller be and he is hereby authorized and directed to draw his warrant on the Contingent Fund of the Assembly in favor of Arthur A. Ohnimus, Chief Clerk, and the State Treasurer is hereby directed to pay the same for the sum of two hundred dollars ($200), said amount being for the payment of postage, telegraphing, expressage, and incidental expenses of the Chief Clerk's Office.

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 49, at this time, without reference to committee or file.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Allen, Anderson, Beck, Bennett, Berry, Blosser, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McMillan, Miller, Niehouse, O'Day, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—73.

NOES—None.

By Mr. Dickey:

House Resolution No. 50

Resolved by the Assembly of the State of California, That the Controller be and he is hereby directed to draw his warrant upon the Contingent Fund of the Assembly in favor of the Chief Clerk of the Assembly, and the State Treasurer is hereby directed to pay the same, in the sum of two thousand dollars ($2,000), said amount being for the purchase of postage stamps to be used by Members of the Assembly for official mail; and be it further

Resolved, That the Chief Clerk be and he is hereby directed to purchase postage stamps in such amounts and denominations, not exceeding two thousand dollars

($2,000) in the aggregate, as shall be necessary for the use of the Members of the Assembly for official mail; and be it further

Resolved, That the amount of stamps requisitioned by any one Member of the Assembly for official mail shall not exceed the sum of twenty-five dollars ($25).

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 50, at this time, without reference to committee or file.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Allen, Anderson, Beck, Bennett, Berry, Blosser, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McMillan, Miller, Niehouse, O'Day, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—73.

NOES—None.

CONSIDERATION OF DAILY FILE

THIRD READING OF SENATE BILLS

Senate Bill No. 3—An act to amend Sections 102, 108, and 128 of, to add Division 2A, comprising Sections 139 to 139.61, inclusive to, and to repeal Sections 111, 113, 116, 117, 119, 120, 121, 122, 123, 124, 124.2, 125, 126, 135, 135.5, 135.8, 486, and 489 of, the Vehicle Code, providing for the reorganization of the California Highway Patrol, abolishing the Division of Enforcement of the Department of Motor Vehicles, establishing a Department of Highway Patrol and Safety and prescribing its powers, duties, purposes, and functions, providing for the transfer of records and property; and to make available money for the support of said department.

Bill read third time.

Demand for Previous Question

Messrs. Silliman, Luckel, Grunsky, Caldecott, and Boyd demanded the previous question.

Demand for previous question sustained.

The question being on the passage of Senate Bill No. 3.

The roll was called, and the bill passed by the following vote:

AYES—Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Field, Fletcher, Gaffney, Gannon, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, Robertson, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—70.

NOES—Butters, Evans, and O'Day—3

Bill ordered transmitted to the Senate.

Senate Bill No. 15—An act to amend Sections 7401, 8101, 8102, and 8103 of, and to add Section 8103.5 to, the Revenue and Taxation Code, relating to motor vehicle fuel license taxes.

Bill read third time.

The roll was called, and the bill passed by the following vote:

AYES—Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—75.

NOES—None.

Bill ordered transmitted to the Senate.

Name Added to Roll Call by Unanimous Consent

Because of a defect in the voting machine, the "Aye" vote of Mr. M. Philip Davis was not recorded on the roll call on Senate Bill No. 15, and was ordered placed there, by unanimous consent.

MATTERS ON FILE CONTINUED

By unanimous consent, all matters on file were continued until the next legislative day.

ADJOURNMENT

At 12.34 p.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11.30 a.m., Friday, June 6, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

SEVENTY-SECOND LEGISLATIVE DAY
ONE HUNDRED FORTY-FIFTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Friday, June 6, 1947

The Assembly met at 11.30 a.m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Robertson, Sherwin, Silliman, Stanley, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—73.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

Give unto us, O Lord, in Thy mercy, the spirit to always think what is right and to do it; that we who can not live without Thee, through the help of Thy grace may be able to live according to Thy commands through the help of Our Lord Jesus Christ—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Kilpatrick, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following members were granted leaves of absence for the day, because of illness:

Mr. Hinckley, on motion of Mr. Dickey.
Mr. Price, on motion of Mr. Dickey.
Mr. Stephenson, on motion of Mr. Dickey.

The following member was granted leave of absence for the day, because of legislative business elsewhere:

Mr. Boyd, on motion of Mr. Dickey.

The following member was granted leave of absence for the day, and desired to waive his per diem:

Mr. Geddes, on motion of Mr. Dickey.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, June 5, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate on this day respectfully refused to concur in Assembly amendments to:

Senate Bill No. 3—An act to amend Sections 102, 108, and 128 of, to add Division 2A, comprising Sections 139 to 139.61, inclusive, to, and to repeal Sections 111, 113, 116, 117, 119, 120, 121, 122, 123, 124, 124.1, 125, 126, 135, 135.5, 135.8, 484, 486, and 489 of, the Vehicle Code, providing for the reorganization of the California Highway Patrol, abolishing the Division of Enforcement of the Department of Motor Vehicles, establishing a Department of Highway Patrol and prescribing its powers, duties, purposes, and functions, providing for the transfer of records and property; and to make available money for the support of said department;

And appointed Senators Keating, Kraft, and Parkman, as a Committee on Conference to meet a like committee from the Assembly.

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

APPOINTMENT OF COMMITTEE ON CONFERENCE CONCERNING SENATE BILL NO. 3

The Speaker announced the appointment of Messrs Thomas, Waters, and Evans as a Committee on Conference concerning Senate Bill No. 3.

REPORTS OF STANDING COMMITTEES

Committee on Transportation and Commerce

ASSEMBLY CHAMBER, SACRAMENTO, June 5, 1947

MR. SPEAKER: Your Committee on Transportation and Commerce, to which was referred:

Assembly Bill No. 47

Has had the same under consideration, and reports the same back with amendments with the recommendation: Amend, and do pass, as amended

BURNS, Chairman

Above reported bill ordered to second reading.

RESOLUTIONS

The following resolutions were offered:

By Messrs Maloney, Allen, Anderson, Beck, Bennett, Berry, Blosser, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Sam L. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, McCollister, McMillan, Miller, Mrs. Niehouse, Messrs. O'Day, Robertson, Rosenthal,

Sheridan, Sherwin, Silliman, Stanley, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, and Wollenberg:

House Resolution No. 51

Congratulating J. F. McLaughlin on silver anniversary of service with United Press

WHEREAS, J. F. McLaughlin has been with the United Press in Sacramento since February 22, 1922, when he worked on the old *Sacramento Star*, until the Capitol Bureau was opened in 1926; and

WHEREAS, J. F. McLaughlin came to the United Press with a fine record already established through the years, having been born in the State of New York in October of 1888, and while yet a boy moved to Montana where he learned telegraphy and came to California when he was 16. Working with the Associated Press at the *Sacramento Union* when that paper was printed at its old plant on Third Street, he was known as one of the fastest receivers of Morse code on the West Coast; and

WHEREAS, In the 25 years that he has been with the United Press Capitol Bureau, J. F. McLaughlin has been well known to all the Members of the Assembly of California, as a courteous and kindly person, proficient at his work and with whom many members of this present Assembly hold a deep and lasting friendship; now, therefore, be it

Resolved by the Assembly of the State of California, That J. F. McLaughlin is hereby congratulated upon the completion of 25 years of service with the United Press, and is commended upon the fine work he has done with the Capitol Bureau; and be it further

Resolved, That the Chief Clerk of the Assembly transmit a suitably prepared copy of this resolution to J. F. McLaughlin as an expression of the high regard and warm friendship of the Members of this Assembly.

Request for Unanimous Consent That the Names of All Members Be Placed Upon House Resolution No. 51 as Co-authors

Mr. Maloney asked for, and was granted, unanimous consent that the names of all members present be placed upon House Resolution No. 51, as co-authors.

Request for Unanimous Consent

Mr. Maloney asked for, and was granted, unanimous consent to take up House Resolution No. 51, at this time, without reference to committee or file.

Resolution read, and adopted unanimously.

By Messrs. Maloney, Allen, Anderson, Beck, Bennett, Berry, Blosser, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Sam L. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, McCollister, McMillan, Miller, Mrs. Niehouse, Messrs. O'Day, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, and Wollenberg:

House Resolution No. 52

Congratulating Archie Wells upon the silver anniversary of his service with the Associated Press

WHEREAS, Archie Wells of the Associated Press has been at Sacramento as a correspondent since 1936, and during those years by his friendly and courteous manner has established warm and enduring friends among the Members of this Assembly; and

WHEREAS, Archie Wells was born in Marathon, Iowa, December 19, 1888, and began newspaper work in Colorado in 1908 on the *Grand Junction Sentinel*, and

followed that beginning with a varied career in newspaper work in Montana, Idaho, New York and New Jersey, joining the Associated Press on May 6, 1922 as Capitol reporter in Denver, his work for AP thereafter taking him to Helena, Montana, and to San Francisco in 1925, where he became western division feature service editor in 1927 and photo editor in 1929, coming to Sacramento in 1936, and now in 1947 completing 25 years of service with the Associated Press; now, therefore, be it

Resolved by the Assembly of the State of California, That Archie Wells is hereby congratulated and commended upon his fine record of 25 years of service with the Associated Press; and be it further

Resolved, That the Chief Clerk of the Assembly transmit a suitably prepared copy of this resolution to Archie Wells as an expression of the warm regard and esteem of his many friends in this Assembly.

Request for Unanimous Consent That the Names of All Members Be Placed Upon House Resolution No. 52 as Co-authors

Mr. Maloney asked for, and was granted, unanimous consent that the names of all members present be placed upon House Resolution No. 52 as co-authors.

Request for Unanimous Consent

Mr. Maloney asked for, and was granted, unanimous consent to take up House Resolution No. 52, at this time, without reference to committee or file.

Resolution read, and adopted unanimously.

By Messrs. Burns and Heisinger:

House Resolution No. 53

Congratulating Assemblyman Bert W. Loomis upon his birthday

WHEREAS, Bert W. Loomis, our esteemed colleague from the Fourth Assembly District, was born in Montague County, Texas, May 18, 1889, and has reached his fifty-eighth birthday while in his first term of office in this Assembly; and

WHEREAS, Bert W. Loomis early came to California, distinguished himself as a pitcher in professional baseball, and since 1919 has made his home in Chico, where he has real estate and insurance interests, and is a member of the Rotary Club, Masonic and other fraternal organizations; and

WHEREAS, As a Member of this Assembly, Bert W. Loomis, has diligently participated in the work of this body, devoting himself to the interests of the people of his district and of the State of California; now, therefore, be it

Resolved by the Assembly of the State of California, That the Members of this Assembly extend hearty congratulations and warm felicitations to Bert W. Loomis upon his fifty-eighth birthday; and be it further

Resolved, That the Chief Clerk of the Assembly transmit a suitably prepared copy of this resolution to Assemblyman Loomis as an expression of the esteem and friendly regard of his colleagues.

Request for Unanimous Consent

Mr. Burns asked for, and was granted, unanimous consent to take up House Resolution No. 53, at this time, without reference to committee or file.

Resolution read, and adopted unanimously.

ALL MATTERS ON FILE CONTINUED

Mr. Dickey moved that all matters on file be continued until the next legislative day.

ADJOURNMENT

At 11.40 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 12 m., Monday, June 9, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

SEVENTY-THIRD LEGISLATIVE DAY
ONE HUNDRED FORTY-EIGHTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Monday, June 9, 1947

The Assembly met at 12 m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

Request for Unanimous Consent That Roll Call of General Session Be Deemed the Roll Call of the Special Session

Mr. Dickey asked for, and was granted, unanimous consent that the following roll call of the general session be deemed the roll call of the special session, and be considered as having been called:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—78.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

Blessed art Thou, O Lord God, from eternity to eternity. Thine, O Lord, is magnificence and power, and splendor and glory and majesty. For all things that are in the heaven and on earth are Thine; Thine is the kingdom, O Lord, and Thine is the ruler who is exalted above all. In Thy hand is strength and power; and in Thy hand it is to make great and to give strength to all. Now therefore, Our God, we honor Thee and we praise Thy glorious Name—AMEN.

PLEDGE OF ALLEGIANCE TO THE FLAG

Upon request of the Speaker, the Assembly gave the pledge of allegiance to the Flag.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Dickey, further reading of the Journal of the previous legislative day was dispensed with.

REPORTS OF STANDING COMMITTEES

Committee on Revenue and Taxation

ASSEMBLY CHAMBER, SACRAMENTO, June 7, 1947

MR. SPEAKER: Your Committee on Revenue and Taxation, to which was referred:

Assembly Bill No. 46

Has had the same under consideration, and respectfully reports the same back with amendments but without recommendation.

HOLLIBAUGH, Chairman

Above reported bill ordered to second reading.

CONSIDERATION OF DAILY FILE

SECOND READING OF ASSEMBLY BILLS

Assembly Bill No. 47—An act to amend Section 142 of the Vehicle Code, relating to vehicles exempted from registration.

Bill read second time.

Consideration of Committee Amendments

The following amendments were proposed by the Committee on Transportation and Commerce:

Amendment No. 1

In line 1 of the title of the printed bill, strike out "amend Section 142 of the Vehicle Code", and insert "add Section 2 to "An act to amend Section 142 of the Vehicle Code, relating to vehicles exempted from registration" approved June 4, 1947".

Amendment No. 2

On page 1 of said bill, strike out lines 1 to 26, inclusive; and on page 2, strike out lines 1 to 23, inclusive, and insert

"SECTION 1. Section 2 is added to the act cited in the title, to read:".

Amendments read, and adopted.

Bill ordered reprinted, and engrossed.

ALL MATTERS ON FILE CONTINUED

Mr. Dickey moved that all matters on file be continued until the next legislative day.

Motion carried.

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following bill was introduced, and read the first time:

Assembly Bill No. 48: By Mr. Elliott—An act relating to property taken or damaged in the construction of state highways, county roads, and city streets, and to prevent tenants of such property from being removed until suitable accommodations are found.

Referred to Committee on Conservation, Planning, and Public Works.

RE-REFERENCE OF BILLS

By order of the Speaker, the following bill was withdrawn from the file, and re-referred as follows:

Assembly Concurrent Resolution No. 2 re-referred to Committee on Rules.

ADJOURNMENT

At 12.05 p.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 10 a.m., Tuesday, June 10, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE

FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

SEVENTY-FOURTH LEGISLATIVE DAY

ONE HUNDRED FORTY-NINTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO

Tuesday, June 10, 1947

The Assembly met at 10 a.m.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—79.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

O God, who shows Thy almighty power more in sparing and forgiving than in punishing, multiply Thy mercy upon us, so that, being reconciled to Thee, we may labor to serve Thee and love Thee in this world, and so come to be partakers of the heavenly goods through Christ Our Lord—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Hawkins, further reading of the Journal of the previous legislative day was dispensed with.

REPORTS OF STANDING COMMITTEES

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, June 10, 1947

MR SPEAKER: Your Committee on Legislative Procedure has examined:

Assembly Bill No. 47

And reports the same correctly engrossed.

WEBER, Chairman

Above reported bill ordered to third reading.

CONSIDERATION OF DAILY FILE

SECOND READING OF ASSEMBLY BILLS

Assembly Bill No. 46—An act to provide for a System of Public Streets and Highways in this State and for the financial support thereof, including the levying of taxes therefor, and relating to vehicles thereon and for that purpose to repeal Article 2 of Chapter 2 of Division 1 and Sections 180, 188, 190, 191, 203, 232, 1021, 1022, 1023, 1024, 1621, 1625.5, 1626, 1626.5, 1627, and 1628 of, to amend Sections 143, 181, 183, 189, 193, 194, 195, 300, 458, 461, 467, 823, 824, 1028, 1029, and 1622 of, and to add Division 3, and Article 2.5 of Chapter 3 of Division 1, and Sections 29, 74, 143.1, 143.2, 188, 188.4, 521, 522, 523, 524, 525, and 526 to, the Streets and Highways Code, to repeal Sections 276.5, 779, 780, and 782, and to amend Sections 276, 277, 370, 372, 381, and 781 of, and to add Section 372.1 to the Vehicle Code, and to repeal Part 4, comprising Sections 9601 to 10501, inclusive, of Division 2 and Sections 8353, 8353.5, 8354, 8355, 8356, 8357, and 8358 of, to amend Sections 7351, 8352, 8651, 9302, 9303, and 9304 of, and to add Section 8353 to, the Revenue and Taxation Code, and to amend Section 7 of Chapter 788 of the Statutes of 1937.

Bill read second time.

Consideration of Committee Amendments

The following amendments were proposed by the Committee on Revenue and Taxation:

Amendment No. 1

On page 2, line 20, of the printed bill, strike out "July", and insert "October".

Amendment No. 2

On page 2, line 23, of said bill, strike out "department", and insert "board of supervisors".

Amendment No. 3

On page 2, line 33, of said bill, strike out "July", and insert "October".

Amendment No. 4

On page 8, line 38, of said bill, strike out "years", and insert "year".

Amendment No. 5

On page 9, line 39, of said bill, before "other", strike out "or", and insert "to".

Amendment No. 6

On page 20, line 2, of said bill, strike out the comma, and insert a period; and strike out the balance of line 2, and all of lines 3 and 4.

Amendment No. 7

On page 11, line 29, of said bill, strike out "166", and insert "26".

Amendment No. 8

On page 11 of said bill, between lines 35 and 36, insert
"(b) Route 4 near Glendale to Route 2"

Amendment No. 9

On page 11, line 36, of said bill, strike out "(b)", and insert
"(c)".

Amendment No. 10

On page 11, line 42, of said bill, strike out "Mines Field", and insert "Los Angeles Municipal Airport".

Amendment No. 11

On page 12 of said bill, strike out lines 7 and 8, and insert
"523. Route 223 from a point on Route 2 near Division Street to Route 56."

Amendment No. 12

On page 12 of said bill, between lines 13 and 14, insert
"SEC. 2.6A. Section 525 is added to the Streets and Highway Code, to read:
525. Route 225 is a connection between Route 56 and Route 2 near the south boundary of the City and County of San Francisco."

Amendment No. 13

On page 12, line 14, of said bill, strike out "525", and insert "526".

Amendment No. 14

On page 12 of said bill, strike out line 16, and insert
"526. Route 226 is from."

Amendment No. 15

On page 12, line 17, of said bill, before "San Leandro", strike out "in", and insert "near".

Amendment No. 16

On page 12, line 20, of said bill, strike out "526", and insert "527".

Amendment No. 17

On page 12 of said bill, strike out line 22, and insert
"527. Route 227 is a connection between Route 75 near"

Amendment No. 18

On page 12 of said bill, between lines 23 and 24, insert
"SEC. 2.8A. Section 528 is added to the Streets and Highways Code, to read:
528. Route 228 is a connection between Route 5 and Route 69 near San Lorenzo.
SEC. 2.8B. Section 529 is added to the Streets and Highways Code, to read:
529. Route 229 is a connection between Route 68 and Route 2 near San Bruno."

Amendments read, and adopted.

Unanimous Consent Granted That All Amendments Be Considered Before Assembly Bill No. 46 Is Sent to Reprint

Messrs. Burns and Hollibaugh asked for, and were granted, unanimous consent that all proposed committee amendments to Assembly Bill No. 46 be considered before the bill is sent to be reprinted.

Consideration of Further Committee Amendments

The following amendments were proposed by the Committee on Revenue and Taxation:

Amendment No. 19

On page 24, lines 18 and 19, of the printed bill, strike out "four and one-half cents ($0.045)", and insert "four cents ($0.04)".

Amendment No. 20

On page 24, lines 24 and 25, of said bill, strike out "four and one-half cents ($0.045)", and insert "four cents ($0.04)".

Amendments read.

Motion That All Proposed Committee Amendments to Assembly Bill No. 46 Be Adopted

Mr. Hollibaugh moved that all proposed committee amendments to Assembly Bill No. 46 be read, and adopted, at this time.

Mr. Thomas seconded the motion.

Division of the Question

Mr. Dunn asked for a division of the question.

The question being on the consideration of Committee Amendments Nos. 19 and 20 to Assembly Bill No. 46.

Mr. Dunn withdrew his request for a division of the question.

Consideration of Further Committee Amendments

The following amendment was proposed by the Committee on Revenue and Taxation:

Amendment No. 21

On page 24, line 25, of the printed bill, strike out "and one-half cents ($0.045)", and insert "cents ($0.04)."

Amendment read.

The question being on the adoption of Committee Amendments Nos. 19, 20, and 21, to Assembly Bill No. 46.

Motion That Members Be Granted Unlimited Time for Debate on Amendments to Assembly Bill No. 46

Mr. Lowrey moved that all members be granted unlimited time in which to offer their arguments, in debate, on the question of the adoption of amendments to Assembly Bill No. 46.

Mr. Lester T. Davis seconded the motion.

Motion lost.

The question being on the adoption of Committee Amendments Nos. 19, 20, and 21, to Assembly Bill No. 46.

Demand for Previous Question

Messrs. Silliman, Grunsky, Thurman, Hinton, and Price demanded the previous question.

The roll was called, and the demand for previous question sustained by the following vote:

AYES—Blosser, Boyd, Brady, Burke, Butters, Carey, Clarke, Collier, Conrad, Cramer, Crichton, Lester T. Davis, Dickey, Clayton A. Dills, Dolwig, Elliott, Erwin, Evans, Field, Geddes, Grant, Grunsky, Hahn, Heisinger, Hinckley, Hinton, James, Johnson, Kirkwood, Knight, Loomis, Maloney, McMillan, Miller, Niehouse, O'Day, Price, Sherwin, Silliman, Stanley, Stewart, Thompson, Thorp, Thurman, and Weber—45.

NOES—Anderson, Bennett, Berry, George D. Collins, Cooke, Crowley, Ralph C. Dills, Doyle, Dunn, Fletcher, Gaffney, Gannon, Hawkins, Kilpatrick, Stephenson, and Thomas—16.

The question being on the adoption of Committee Amendments Nos. 19, 20, and 21 to Assembly Bill No. 46.

The roll was called.

Call of the Assembly

Pending the announcement of the vote, Mr. Burns moved a call of the Assembly.

Motion carried. Time, 11.25 a.m.

The Speaker directed the Sergeant-at-Arms to close the doors, and to bring in the following absent members:

Allen, Beck, Luckel, Robertson, Rosenthal, Sheridan, and Waters—7.

PROCEEDINGS UNDER CALL OF THE ASSEMBLY BY UNANIMOUS CONSENT

MEMBERS EXCUSED

At 11.40 a.m., Mr. Brown asked for, and was granted, unanimous consent that the members of the Committee on Judiciary be excused, at this time, for the purpose of holding a meeting in the Assembly Chamber.

At 11.45 a.m., Mr. McMillan asked for, and was granted, unanimous consent that the members of the Committee on Conservation, Planning, and Public Works be excused, at this time, for the purpose of holding a meeting in the Assembly Chamber.

At 11.46 a.m., Mr. Erwin asked for, and was granted, unanimous consent that the members of the Committee on Fish and Game be excused, at this time, for the purpose of holding a meeting in the Assembly Chamber.

At 11.48 a.m., Mr. Debs asked for, and was granted, unanimous consent that the members of the Committee on Public Health be excused, at this time, for the purpose of holding a meeting in the Assembly Chamber.

At 12.15 p.m., Mrs. Niehouse asked for, and was granted, unanimous consent that the members of the Committee on Social Welfare be excused, at this time, for the purpose of holding a meeting in the Assembly Chamber.

Hon. Randal F. Dickey Presiding

At 12.15 p.m., Hon. Randal F. Dickey, Member of the Assembly from the Fourteenth District, presiding.

FURTHER PROCEEDINGS UNDER CALL OF THE ASSEMBLY DISPENSED WITH ON AMENDMENTS TO ASSEMBLY BILL NO. 46

At 12 25 p.m., on motion of Mr. Burns, further proceedings under the call of the Assembly were dispensed with.

The names of the absentees were called, and Amendments Nos. 19, 20, and 21 to Assembly Bill No. 46 adopted by the following vote:

AYES—Allen, Anderson, Beck, Bennett, Berry, Blosser, Brady, Cramer, Crichton, Crowley, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Hahn, Hawkins, Hollibaugh, Huyck, Kilpatrick, Knight, Luckel, Lyons, McCollister, McMillan, Niehouse, O'Day, Robertson, Silliman, Stephenson, Thomas, Waters, Weber, and Mr. Speaker—43.

NOES—Boyd, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Lester T. Davis, M. Philip Davis, Erwin, Evans, Grunsky, Heisinger, Hinckley, Hinton, James, Johnson, Kirkwood, Loomis, Lowrey, Maloney, Miller, Price, Sherwin, Stanley, Stewart, Thompson, Thorp, Thurman, and Wollenberg—35.

Bill ordered reprinted, and engrossed.

Motion to Place Rush Order on Printing of Assembly Bill No. 46

Mr. Hollibaugh moved that a rush order be placed on the printing of Assembly Bill No. 46.

Motion carried.

RECESS

At 12.26 p.m., on motion of Mr. Dickey, the Assembly recessed until 3.25 p.m.

REASSEMBLED

At 3.25 p.m., the Assembly reconvened.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

CONSIDERATION OF DAILY FILE (RESUMED)
THIRD READING OF ASSEMBLY BILLS (RESUMED)

Assembly Bill No. 47—An act to amend Section 142 of the Vehicle Code, relating to vehicles exempted from registration.

Bill read third time.

The roll was called, and the bill passed by the following vote:

AYES—Allen, Anderson, Berry, Blosser, Boyd, Brady, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D Collins, Conrad, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Field, Fletcher, Gaffney, Gannon, Grunsky, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, James, Johnson, Kirkwood, Luckel, Lyons, Maloney, McCollister, McMillan, Niehouse, O'Day, Robertson, Sillman, Stephenson, Thomas, Thompson, Thorp, Thurman, Weber, Wollenberg, and Mr. Speaker—59.

NOES—None.

Bill ordered transmitted to the Senate.

MEMBERS EXCUSED

At 3.30 p.m., Mr. Debs asked for, and was granted, unanimous consent that the members of the Committee on Public Health be excused, at this time, for the purpose of holding a meeting.

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following bill was introduced, and read the first time:

Assembly Bill No. 49: By Mr. Dunn—An act to provide for the loan and transfer of money from the General Fund to the State Highway Fund, and making an appropriation.

Referred to Committee on Ways and Means.

RESOLUTIONS

The following resolution was offered:

By Mr. Hollibaugh:

House Resolution No. 54

Relative to authorizing payment of transcript of testimony before Committee on Revenue and Taxation

Resolved, That the Controller be and he is hereby authorized to draw his warrants on the Contingent Fund of the Assembly in favor of the person listed below and for the amount of money set opposite his respective name, and as itemized below, and the State Treasurer is hereby authorized and directed to pay the same:

Harold Krabbenhoft (transcribing 564 folios at 20c)—$142 80

Resolution read, and referred to the Committee on Rules.

REQUEST FOR UNANIMOUS CONSENT THAT ASSEMBLY BILL NO. 46 BE CONSIDERED WITHOUT REFERENCE TO ENGROSSMENT

Mr. Dickey asked for, and was granted, unanimous consent that Assembly Bill No. 46 be considered, at this time, without reference to engrossment.

FURTHER CONSIDERATION OF ASSEMBLY BILL NO. 46

Assembly Bill No. 46—An act to provide for a System of Public Streets and Highways in this State and for the financial support thereof, including the levying of taxes therefor, and relating to vehicles thereon and for that purpose to repeal Article 2 of Chapter 2 of Division 1 and Sections 180, 188, 190, 191, 203, 232, 1021, 1022, 1023, 1024, 1621, 1625.5,

1626, 1626.5, 1627, and 1628 of, to amend Sections 143, 181, 183, 189, 193, 194, 195, 300, 458, 461, 467, 823, 824, 1028, 1029, and 1622 of, and to add Division 3, and Article 2.5 of Chapter 3 of Division 1, and Sections 29, 74, 143.1, 143.2, 188, 188.4, 521, 522, 523, 524, 525, and 526 to, the Streets and Highways Code, to repeal Sections 276.5, 779, 780, and 782, and to amend Sections 276, 277, 370, 372, 381, and 781 of, and to add Section 372.1 to the Vehicle Code, and to repeal Part 4, comprising Sections 9601 to 10501, inclusive, of Division 2 and Sections 8353, 8353.5, 8354, 8355, 8356, 8357, and 8358 of, to amend Sections 7351, 8352, 8651, 9302, 9303, and 9304 of, and to add Section 8353 to, the Revenue and Taxation Code, and to amend Section 7 of Chapter 788 of the Statutes of 1937.

Bill read third time.

Motion to Amend

Mr. Heisinger moved the adoption of the following amendment:

Amendment No. 1

On page 23, lines 32 and 33, of the printed bill, strike out "six dollars ($6)", and insert "three dollars ($3)."

Amendment read.

Demand for Previous Question

Messrs. Thurman, Silliman, Johnson, Price, and Carey demanded the previous question.

Demand for previous question sustained.

The question being on the adoption of the amendment offered by Mr. Heisinger to Assembly Bill No. 46.

The roll was called, and the amendment refused adoption by the following vote:

AYES—Allen, Bennett, Carey, George D. Collins, Lester T. Davis, Ralph C. Dills, Doyle, Elliott, Fletcher, Hawkins, Heisinger, Lowrey, Lyons, Maloney, and Miller—15.

NOES—Beck, Berry, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Clarke, Collier, Conrad, Cramer, Crichton, Dickey, Dunn, Erwin, Field, Gaffney, Gannon, Grunsky, Hahn, Hinckley, Hinton, Hollibaugh, James, Johnson, Kirkwood, McMillan, Price, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Wollenberg, and Mr. Speaker—42.

Consideration of Further Amendments to Assembly Bill No. 46

Motion to Amend

Mr. Thomas moved the adoption of the following amendments:

Amendment No. 1

On page 23 of the printed bill, strike out lines 39 to 45, inclusive.

Amendment No. 2

On page 23, line 49, of the printed bill, strike out "three", and insert "four".

Amendment No. 3

On page 24, line 10, of the printed bill, strike out "five dollars ($5)", and insert "two dollars ($2)".

Amendment No. 4

On page 24, lines 12 and 13, of the printed bill, strike out "four dollars and fifty cents ($4.50)", and insert "two dollars ($2)".

Amendments read.

The roll was called, and the amendments adopted by the following vote:

AYES—Allen, Anderson, Beck, Bennett, Berry, Brady, Brown, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, Dickey, Ralph C. Dills, Doyle, Elliott, Fletcher, Gaffney, Gannon,

Grunsky, Hahn, Hawkins, Heisinger, Hinton, Hollibaugh, Johnson, Kirkwod, Loomis, Lowrey, Luckel, Lyons, Maloney, McMillan, Miller, Niehouse, O'Day, Sheridan, Sherwin, Silliman, Stephenson, Thomas, Thompson, Thorp, Thurman, and Waters—52.

NOES—Boyd, Burke, M. Philip Davis, Dunn, Hinckley, James, Knight, Price, Robertson, Stanley, Stewart, and Mr. Speaker—12.

Consideration of Further Amendments to Assembly Bill No. 46

Motion to Amend

Mr. O'Day moved the adoption of the following amendments:

Amendment No. 1

In line 14 of the title of the printed bill, strike out "and to add Section 372.1 to".

Amendment No. 2

On page 24 of the printed bill, following line 47, insert

"(c) For any vehicle designed, used or maintained as described in subdivision (a) hereof other than an electric vehicle fees shall be paid for registration according to the following schedule.

	Unladen Weight	Fee
(1)	3,000 to 4,000 lbs.	$10.00
(2)	4,001 to 5,000 lbs.	25.00
(3)	5,001 to 6,000 lbs.	40.00
(4)	6,001 to 7,000 lbs.	60.00
(5)	7,001 to 8,000 lbs.	75.00
(6)	8,001 to 9,000 lbs.	90.00
(7)	9,001 to 10,000 lbs.	105.00
(8)	10,001 to 11,000 lbs.	125.00
(9)	11,001 to 12,000 lbs.	140.00
(10)	12,001 to 13,000 lbs.	155.00
(11)	13,001 to 14,000 lbs.	170.00
(12)	14,001 to 15,000 lbs.	185.00
(13)	15,001 and over	200.00".

Amendment No. 3

On page 25 of the printed bill, strike out lines 1 to 29, inclusive.

Amendments read.

Motion to Defer Consideration on Amendments Offered by Mr. O'Day to Assembly Bill No. 46

Mr. Knight moved that consideration be deferred on the amendments offered by Mr. O'Day to Assembly Bill No. 46, and that they be printed in the Journal.

Mr. Grunsky seconded the motion.

The roll was called, and the motion lost by the following vote:

AYES—Boyd, Burke, Cramer, Grunsky, Heisinger, Hinckley, Kirkwood, Knight, Miller, Sherwin, and Stewart—11.

NOES—Anderson, Beck, Bennett, Berry, Brady, Brown, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Crichton, Crowley, Lester T. Davis, Dickey, Ralph C. Dills, Doyle, Dunn, Elliott, Erwin, Field, Fletcher, Gaffney, Gannon, Hawkins, Huyck, James, Johnson, Lowrey, Luckel, Lyons, Maloney, McMillan, Niehouse, O'Day, Price, Sheridan, Silliman, Stanley, Stephenson, Thomas, Thorp, Thurman, Waters, and Wollenberg—48.

The question being on the adoption of the amendments offered by Mr. O'Day to Assembly Bill No. 46.

Demand for Previous Question

Messrs. Thurman, Conrad, Luckel, Heisinger, and Elliott demanded the previous question.

Demand for previous question sustained.

The question being on the adoption of the amendments offered by Mr. O'Day to Assembly Bill No. 46.

The roll was called.

Call of the Assembly

Pending the announcement of the vote, Mr. Field moved a call of the Assembly.

Motion carried. Time, 4.48 p.m.

The Speaker directed the Sergeant-at-Arms to close the doors, and to bring in the following absent members:

Beck, Bennett, Blosser, Burns, Debs, Dickey, Clayton A. Dills, Dolwig, Evans, Geddes, Grant, Hinton, Kilpatrick, Kirkwood, McCollister, Miller, Rosenthal, Stewart, Thompson, and Wollenberg—20.

PROCEEDINGS UNDER CALL OF THE ASSEMBLY BY UNANIMOUS CONSENT

MEMBERS EXCUSED

At 4.50 p.m., by unanimous consent, the following members were excused, although a call of the Assembly prevails, because they had voted on the question, and desired to attend a subcommittee meeting of the Committee on Ways and Means, at this time: Messrs. Boyd, Allen, and Thurman.

MOTION TO TEMPORARILY SUSPEND THE RULES

Mr. Lowrey moved that Assembly Rule No. 85 be temporarily suspended for the purpose of considering further amendments to Assembly Bill No. 46, at this time.

Mr. Silliman seconded the motion.

The roll was called, and the motion for temporary suspension of the Rules lost by the following vote:

AYES—Beck, Collier, Field, Geddes, Hinckley, Loomis, Lowrey, Robertson, Silliman, and Thomas—10.

NOES—Berry, Blosser, Brown, Butters, George D. Collins, Conrad, Crichton, Debs, Dickey, Clayton A. Dills, Dolwig, Evans, Gaffney, Gannon, Grant, Hinton, Hollibaugh, James, Johnson, Knight, Lyons, Maloney, McCollister, McMillan, Sherwin, Stewart, and Thorp—27.

FURTHER PROCEEDINGS UNDER CALL OF THE ASSEMBLY DISPENSED WITH ON AMENDMENTS OFFERED BY MR. O'DAY TO ASSEMBLY BILL NO. 46

At 5.15 p.m., on motion of Mr. O'Day, further proceedings under the call of the Assembly were dispensed with.

The names of the absentees were called, and the amendments offered by Mr. O'Day to Assembly Bill No. 46 adopted by the following vote:

AYES—Allen, Anderson, Bennett, Berry, Brady, Brown, Carey, Collier, George D. Collins, Cooke, Cramer, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Evans, Field, Fletcher, Gaffney, Gannon, Grant, Hawkins, Hollibaugh, Huyck, Kilpatrick, Luckel, Lyons, Maloney, McMillan, Niehouse, O'Day, Robertson, Rosenthal, Thomas, Waters, and Weber—40

NOES—Beck, Blosser, Boyd, Burke, Butters, Caldecott, Clarke, Conrad, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Erwin, Geddes, Grunsky, Hahn, Heisinger, Hinckley, Hinton, James, Johnson, Kirkwood, Knight, Loomis, Lowrey, McCollister, Miller, Price, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thompson, Thorp, Thurman, and Mr. Speaker—38.

Notice of Motion to Reconsider Amendments Offered by Mr. O'Day to Assembly Bill No. 46

Mr. Sherwin gave notice that on the next legislative day he would move to reconsider the vote whereby the amendments offered by Mr. O'Day to Assembly Bill No. 46 were this day adopted.

REQUEST FOR UNANIMOUS CONSENT THAT AMENDMENTS SUBMITTED TO THE COMMITTEE ON REVENUE AND TAXATION, ON ASSEMBLY BILL NO. 46, BE PRINTED IN THE JOURNAL

Mr. Hollibaugh asked for, and was granted, unanimous consent that the following amendments, submitted for consideration to the Committee on Revenue and Taxation, on Assembly Bill No. 46, be ordered printed in the Journal:

PROPOSED AMENDMENTS SUBMITTED TO COMMITTEE ON REVENUE AND TAXATION

Submitted by the For-Hire Trucking Industry to the Revenue and Taxation Committee June 6, 1947

Amendment to Assembly Bill No. 46 (First Extraordinary Session)

Amendment No. 1

In line 14 of the title of the printed bill, strike out "and to add Section 372.1 to".

Amendment No. 2

On page 26 of the printed bill, following line 10, insert

"(c) For any vehicle designed, used or maintained as described in subdivision (a) hereof other than an electric vehicle fees shall be paid for registration according to the following schedule:

	Unladen Weight	Fee
(1)	3,000 to 4,000 lbs.	$10.00
(2)	4,001 to 5,000 lbs.	25.00
(3)	5,001 to 6,000 lbs.	40.00
(4)	6,001 to 7,000 lbs.	60.00
(5)	7,001 to 8,000 lbs	75.00
(6)	8,001 to 9,000 lbs.	90.00
(7)	9,001 to 10,000 lbs.	105.00
(8)	10,001 to 11,000 lbs.	125.00
(9)	11,001 to 12,000 lbs.	140.00
(10)	12,001 to 13,000 lbs.	155.00
(11)	13,001 to 14,000 lbs.	170.00
(12)	14,001 to 15,000 lbs.	185 00
(13)	15,001 and over	200.00".

Amendment No. 3

On page 26 of the printed bill, strike out all of lines 39 to 46, inclusive; and on page 27, strike out lines 1 to 21, inclusive.

Submitted by the Private Truck Owners to the Revenue and Taxation Committee June 6, 1947

Amendment No. 1

Proposed Amendment to Assembly Bill No. 46 (Ext.) by Burns, et al, Relating to Weight Fees on Commercial Vehicles

"On page 27 of the printed bill, strike out all of lines 4 to 21, which is the weight fee schedule on private and for-hire trucks, and insert in lieu thereof the following:

(1) For any motor vehicle having not more than two axles and designed, used or maintained as described in subdivision (a) hereof, other than an electric vehicle, fees shall be paid for registration according to the following schedule:

Unladen weight	Private truck	For-hire truck
3,000 lbs. to and including 4,000 lbs.	$ 10.00	$ 15.00
4,001 lbs. to and including 5,000 lbs.	20.00	30.00
5,001 lbs. to and including 6,000 lbs.	30.00	45.00
6,001 lbs. to and including 7,000 lbs.	40.00	60.00
7,001 lbs. to and including 8,000 lbs.	50.00	75.00
8,001 lbs. to and including 9,000 lbs.	60.00	90.00
9,001 lbs. to and including 10,000 lbs.	70.00	105.00
10,001 lbs. to and including 12,000 lbs.	80.00	120.00
12,001 lbs. to and including 14,000 lbs.	90.00	135.00
14,001 lbs. and over	100.00	150.00

(2) For any motor vehicle having three or more axles or for any trailer, semi-trailer, pole or pipe dolly or other dolly designed, used or maintained as described in

subdivision (a) hereof, other than an electric vehicle, fees shall be paid for registration according to the following schedule:

Unladen weight		Private vehicles	For-hire vehicles
2,000 lbs. to and including	3,000 lbs.	$ 8.00	$ 12.00
3,001 lbs. to and including	4,000 lbs.	15.00	22.00
4,001 lbs. to and including	5,000 lbs.	30.00	45.00
5,001 lbs. to and including	6,000 lbs.	45.00	67.00
6,001 lbs. to and including	7,000 lbs.	60.00	90.00
7,001 lbs. to and including	8,000 lbs.	75.00	112.00
8,001 lbs. to and including	9,000 lbs.	90.00	135.00
9,001 lbs. to and including	10,000 lbs.	105 00	157.00
10,001 lbs. to and including	12,000 lbs.	120.00	180.00
12,001 lbs. to and including	14,000 lbs.	135.00	202.00
14,001 lbs. and over		150 00	225.00".

MOTION THAT ALL PROPOSED AMENDMENTS PENDING TO ASSEMBLY BILL NO. 46 BE PRINTED IN THE JOURNAL

Mr. Dickey moved that all proposed amendments now pending at the desk, to Assembly Bill No. 46, be ordered printed in the Journal.

Motion carried.

PROPOSED AMENDMENTS TO ASSEMBLY BILL NO. 46

Amendments Offered by Mr. Maloney

Amendment No. 1

On page 1, line 8, of the printed bill, strike out "upon".

Amendment No. 2

On page 24 of the printed bill, strike out lines 9 to 17, inclusive, and insert "Upon application for an operator's or chauffeur's license, or renewal thereof, there shall be paid to the department a fee of two dollars ($2). The surrender of a valid operator's license shall entitle a qualified person to receive a chauffeur's license upon application for the unexpired period of said operator's license without additional fee or cost."

Amendment No. 3

On line 18 of the printed bill, strike out "of application".

Amendment Offered by Mr. Lowrey

Amendment No. 1

On page 23, lines 32 and 33 of the printed bill, as amended June 10, 1947, strike out "six dollars ($6)", and insert "four dollars ($4)".

Amendments Offered by Mr. George D. Collins

Amendment No. 1

In line 18 of the title of the printed bill, as amended in the Assembly on June 10, 1947, after "add", insert "Part 15, comprising Sections 27000 to 27033, inclusive, to Division 2 of, and".

Amendment No. 2

On page 25 of said bill, between lines 29 and 30, insert

"SEC. 37 7. Part 15, comprising Sections 27000 to 27033, inclusive, is added to Division 2 of the Revenue and Taxation Code, to read:

PART 15. SEVERANCE TAX

CHAPTER 1 GENERAL PROVISIONS AND DEFINITIONS

27000 This part shall be known and may be cited as the "Severance Tax Act of 1947."

27001. The following words, terms and phrases when used in this act have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

(a) "Person" means any individual, firm, copartnership, joint adventure, association, corporation, estate, trust, business trust, receiver, syndicate, this State, any county, city and county, municipality, district or other political subdivision thereof,

or any other group or combination acting as a unit, and the plural as well as the singular number.

(b) "Producer" means every person engaged in severing petroleum, natural gas or natural gasoline from the earth, whether as owner, lessee or otherwise.

(c) "Severing" means extracting, separating, detaching, producing, removing or in any manner gathering petroleum, natural gas or natural gasoline from the earth.

(d) "Board" means the State Board of Equalization.

(e) "In this State" means within the exterior limits of the State of California and includes all territory within such limits owned by or ceded to the United States of America

(f) "Owner" means any person, including a lessor, having any interest in petroleum, natural gas or natural gasoline at the time of the severance thereof from the earth, which interest entitles such person to a fixed or determinable share in the amount of such petroleum, natural gas or natural gasoline, or the value thereof.

CHAPTER 2 IMPOSITION OF TAX

27003. From and after July 1, 1947, for the privilege of severing petroleum, natural gas or natural gasoline from the earth an excise tax, predicated upon the quantities severed from the earth in this State, is hereby imposed upon owners at the following rates:

Petroleum of below 15° gravity A P I. fourteen (14) cents per barrel of 42 gallons

Petroleum of 15° gravity A. P I up to but not including 19° gravity A. P I, fifteen (15) cents per barrel of 42 gallons.

Petroleum of 19° gravity A P I up to but not including 23° gravity A P. I, sixteen (16) cents per barrel of 42 gallons.

Petroleum of 23° gravity A. P. I. up to but not including 28° gravity A. P. I, nineteen (19) cents per barrel of 42 gallons

Petroleum of 28° gravity A P I up to but not including 34° gravity A. P. I, twenty-two (22) cents per barrel of 42 gallons

Petroleum of 34° gravity A. P. I and above, twenty-seven cents ($0 27) per barrel of 42 gallons.

Natural gas, one and two-tenths (1.2) cents per 1,000 cubic feet; provided, however, that there shall be deducted from the amount of natural gas severed from the earth by a producer the amount thereof returned to the earth by such producer for repressuring purposes

Natural gasoline, one and two-tenths (1 2) cents per gallon

27004 The tax herein imposed shall be paid at the time and in the manner hereinafter provided and shall be in addition to any and all other taxes

27005 The producer shall collect or withhold from the owners the proportionate parts of the total tax due from the respective owners with respect to the petroleum, natural gas or natural gasoline severed from the earth by such producer. The total amount of the tax due with respect to the petroleum, natural gas or natural gasoline severed from the earth by a producer shall be due and payable monthly by the producer on or before the twentieth day of the month following each calendar month.

27006 Each producer shall, on or before the twentieth day of August, 1947, and on or before the twentieth day of each and every month thereafter, file with the board on forms prescribed by it a return showing the amount of petroleum, natural gas and natural gasoline severed from the earth during the preceding calendar month and such other information as the board may deem necessary for the administration of the tax. The producer shall transmit with each such return a remittance payable to the board for the amount of tax due hereunder If the board deems it necessary in order to insure the payment of the tax herein imposed, it may require returns and payment of the tax to be made for other than monthly periods.

27007. The board for good cause may extend for not to exceed 30 days the time for making any return required herein.

27008. Any person failing to pay any tax, except taxes assessed by the board under the provisions of Sections 27015 and 27016 hereof, within the time required by this act shall pay in addition to the tax a penalty of 10 percent of the amount thereof and interest thereon at the rate of one-half of 1 percent a month, or fraction thereof, from the date at which the tax became due and payable until the date of payment

CHAPTER 3 ADMINISTRATION

Article 1 Issuance of Permits

27010 It shall be unlawful after July 1, 1947, for any person to act as a producer in this State without first securing a permit as prescribed herein An application for such permit must be made to the board upon a form prescribed by the board. The application shall be signed by the owner if a natural person; in the case of an association or partnership, by a member or partner thereof and in the case of a corporation, by an executive officer thereof or some person specifically authorized by the corporation to sign the application, to which shall be attached the written evidence of his authority. Any person who acts as a producer in this State without a permit, or after a permit

has been suspended or revoked, and the officers of any corporation which so acts as a producer, shall be guilty of a misdemeanor.

27011. At the time of making an application for a permit, the applicant shall pay to the board a permit fee of five dollars ($5). A producer need obtain only one permit.

27012. Upon the payment of such permit fee and compliance with other requirements imposed herein, the board shall issue to each applicant a permit to act as a producer. A permit is not assignable and shall be valid only for the person in whose name it is issued.

27013. Permits issued under the provisions of this part shall be valid and effective without further payment of fees until suspended or revoked by the board. A fee of five dollars ($5) shall be collected by the board for the renewal or issuance of a permit to a producer whose permit has been previously suspended or revoked.

27014. Whenever the holder of a permit fails to comply with any provision of this part or any rule or regulation of the board prescribed and adopted under this act, the board upon hearing after giving 10 days' notice in writing of the time and place of the hearing to show cause why his permit should not be revoked, may revoke or suspend the permit.

Article 2. Assessments and Penalties

27015. If the board is not satisfied with the return filed or amount of tax paid by any producer, it is hereby authorized and empowered to make an additional assessment of tax due from such producer based upon any information available to it. All additional assessments shall bear interest at the rate of one-half of 1 percent a month, or fraction thereof, from the twentieth day after the close of the month or months, as the case may be, for which the additional assessment is imposed until the date of payment. If any part of the deficiency for which the additional assessment is imposed is due to negligence or intentional disregard of this part or authorized rules and regulations, a penalty of 10 percent of the amount of the additional assessment shall be added thereto. If any part of the deficiency for which the additional assessment is imposed is due to fraud or an intent to evade the tax, a penalty of 25 percent of the amount of the additional assessment shall be added thereto. The board shall give to the producer written notice of such additional assessment. Such notice may be served upon the producer personally or by mail; if by mail, service shall be made in the manner prescribed by Section 1013 of the Code of Civil Procedure and addressed to the producer at his address as the same appears in the records of the board.

27016. If a producer neglects or refuses to make a return as required herein, the board shall make an estimate based upon any information available to it of the amount of the petroleum, natural gas and natural gasoline produced by such producer during the month or months in respect to which he failed to make a return, and upon the basis of said estimate compute and assess the tax payable by the producer, adding to the sum thus arrived at a penalty equal to 10 percent thereof. All such assessments shall bear interest at the rate of one-half of 1 percent a month, or fraction thereof, from the twentieth day after the close of the month or months, as the case may be, for which such assessments are imposed until the date of payment. If the neglect or refusal of a producer to file a return as required by this act was due to fraud or an intent to evade the tax, there shall be added to the tax a penalty equal to 25 percent thereof in addition to the 10 percent penalty as above provided. Promptly thereafter the board shall give to the producer written notice of such estimate, tax and penalty, the notice to be served personally or by mail in the same manner as prescribed for service of notice by the provisions of Section 27015 hereof.

27017. If the board determines that the collection of any tax or assessment imposed by or under this part will be jeopardized by delay, it shall thereupon make an assessment of such tax, noting its determination thereon, and the amount of such assessment shall be immediately due and payable. If the amount of the tax, interest and penalty specified in the jeopardy assessment is not paid within 10 days after the service upon the producer of notice of the assessment, such assessment becomes final at the expiration of such 10 days, unless a petition for reassessment is filed within such 10 days, and the delinquency penalty and interest provided in Section 27008 hereof shall attach to the amount of the tax specified therein.

The producer against whom a jeopardy assessment is levied hereunder may petition for the reassessment thereof pursuant to Section 27018 hereof; provided, however, that such petition for reassessment must be filed with the board within 10 days after the service upon the producer of notice of the assessment; and provided further, that the producer must within said 10-day period deposit with the board such security as it may deem necessary to insure compliance with the provisions of this part. Such security may be sold by the board in the manner prescribed by Section 27022 hereof.

27018. Any producer against whom an assessment is made by the board under the provisions of Section 27015 or 27016 hereof may petition for a reassessment thereof within 30 days after service upon the producer of notice thereof. If a petition for reassessment is not filed within said 30-day period, the amount of the assessment becomes final at the expiration thereof.

If a petition for reassessment is filed within said 30-day period, the board shall reconsider the assessment and, if the producer has so requested in his petition, shall

grant said producer an oral hearing before the board and shall give the producer 10 days' notice of the time and place thereof. The board shall have power to continue the hearing from time to time as may be necessary. The order or decision of the board upon a petition for reassessment shall become final 30 days after service upon the producer of notice thereof.

All assessments made by the board under the provisions of Section 27015 or 27016 hereof shall become due and payable at the time they become final and if not paid when due and payable there shall be added thereto a penalty of 10 percent of the amount of the tax. Any notice required by this section shall be served personally or by mail in the same manner as prescribed for service of notice by the provisions of Section 27015 hereof.

27019. Except in the case of a fraudulent return, or neglect or refusal to make a return, every notice of additional tax proposed to be assessed hereunder shall be mailed to the producer within three years after the return was filed.

Article 3. Refunds

27020. If the board determines that any amount has been paid hereunder contrary to law, the board shall set forth that fact in its records and shall certify to the State Board of Control the amount collected in excess of what was legally due, from whom it was collected, or by whom paid, and if approved by that board the same shall be credited on any taxes then due from the producer under this act and the balance shall be refunded to the producer, or his successors, administrators, executors or assigns, but no such credit or refund shall be allowed unless a claim therefor is filed with the State Board of Equalization within three years from the date of the overpayment. Such claim must be in writing and state the specific grounds on which it is founded

Any refund or any portion thereof which is erroneously made and any credit or any portion thereof which is erroneously allowed may be recovered in an action brought by the State Board of Equalization in a court of competent jurisdiction in the County of Sacramento, in the name of the people of the State of California and such action shall be tried in the County of Sacramento unless the court, with the consent of the Attorney General, orders a change of place of trial. The Attorney General must prosecute such action, and the provisions of the Code of Civil Procedure relating to service of summons, pleadings, proofs, trials and appeals are applicable to the proceedings herein provided for.

In the event that a tax has been illegally assessed against a producer the board shall certify such fact to the State Board of Control and, if the State Board of Control approves, it shall authorize the cancellation of the tax upon the records of the board

Article 4 Liens

27021 In any case in which any tax, interest, or penalty imposed by this part is not paid when due or in any case where an assessment is made under the provisions of Sections 27015, 27016, or 27017 of this act, then in either event, the board may file for record in any county a certificate giving the name of the producer and the amount of taxes, interest and penalties due or specified in the assessment as the case may be. From the time of the recording of any such certificate the amount of the tax, interest and penalties therein set forth shall constitute a lien upon any real property then owned or thereafter acquired by the producer named in such certificate located in the county in which said certificate is recorded, which lien shall have the same force, effect and priority as a lien created by the recording of an abstract of judgment under Section 674 of the Code of Civil Procedure. Said lien shall continue, however, for five years or until the tax is paid, the property sold for the nonpayment thereof or until the lien is released or otherwise extinguished. The board may at any time release all or any portion of the property subject to said lien, from such lien or subordinate such lien to other liens or interests, if it determines that the tax, interest and penalties are sufficiently secured by a lien on other property or that the release or subordination of the lien will not endanger or jeopardize the collection of the tax, interest or penalties. A certificate by the board to the effect that any property has been released from any lien herein provided for or that such lien has been subordinated to other liens or interest, shall be conclusive evidence that the property has been released or that the lien has been subordinated as provided in the certificate

27022. The board may require any person subject to the tax herein imposed to deposit with it such security as it may deem necessary to insure compliance with the provisions hereof. Such security may be sold by the board at public sale if it becomes necessary so to do in order to recover any tax, interest or penalty due. Notice of such sale may be served upon the person who deposited such security personally or by mail; if by mail, service shall be made in the manner prescribed by Section 1013 of the Code of Civil Procedure and addressed to the person at his address as the same appears in the records of the board Upon any such sale, the surplus, if any, above the amounts due under this act shall be returned to the person who deposited the security.

27023. In the event that any producer is delinquent in the payment of the tax, interest or penalty imposed herein, the board may give notice of the amount of such

delinquency by registered mail to all persons having in their possession, or under their control, any credits or other personal property belonging to such producer, or owing any debts to such producer at the time of receipt by them of such notice and thereafter any person so notified shall neither transfer nor make any other disposition of such credits, other personal property or debts until the board shall have consented to a transfer or disposition or until 20 days shall have elapsed from and after the receipt of such notice All persons so notified must, within five days after receipt of such notice, advise the board of any and all such credits, other personal property or debts, in their possession, under their control or owing by them, as the case may be.

27024. At any time within three years after the delinquency of any tax, interest or penalty, the board may bring an action in a court of competent jurisdiction in the name of the people of the State of California to collect the amount delinquent. The Attorney General shall prosecute such action and the provisions of the Code of Civil Procedure relating to service of summons, pleadings, proofs, trials and appeals are applicable to the proceedings herein provided for. In such an action a writ of attachment may issue, and no bond or affidavit previous to the issuing of said attachment is required. In such action a certificate by the board showing the delinquency shall be prima facie evidence of the levy and assessment of the tax in the amount specified therein, of the delinquency of the amount of tax, interest and penalty and of compliance by the board with all the provisions of this act in relation to the computation, assessment and levy of such amount of tax, interest and penalty.

27025. At any time within three years after any producer is delinquent in the payment of the tax herein provided for, the board may proceed forthwith to collect the tax due from the producer in the following manner: The board shall seize any property, real or personal, subject to the lien herein provided and thereafter sell at public auction such property so seized, or a sufficient portion thereof, to pay the tax, interest and penalties due hereunder and any and all costs that may have been incurred on account of such seizure and sale. Notice of such intended sale and the time and place thereof, shall be given to such delinquent producer in writing at least 10 days before the date set for such sale by enclosing a form of such notice in an envelope addressed to said producer at his last-known place of business in this State, if any, and depositing the same in the United States mail, postage prepaid, and by publication for at least 10 days before the date set for such sale in a newspaper of general circulation published in the county or city and county in which the property seized is to be sold; provided, however, that if there be no newspaper of general circulation in such county or city and county, then by the posting of such notice in three public places in such county or city and county for said 10-day period. The said notice shall contain a description of the property to be sold together with a statement of the amount of the taxes, interest, penalties and cost, the name of the producer, and the further statement that, unless such taxes, interest, penalties and costs are paid on or before the time fixed in said notice for such sale, said property, or so much thereof as may be necessary, will be sold in accordance with law and said notice.

At any such sale, the property shall be sold by the board or its duly authorized agent in accordance with law and said notice, and the board shall deliver to the purchaser a bill of sale for the personal property, and a deed for any real property so sold, and such bill of sale or deed shall vest title in the purchaser. The unsold portion of any property so seized may be left at the place of sale at the risk of the producer. If, upon any such sale, the moneys so received shall exceed the amount of all license taxes, interest, penalties and costs due the State from such producer, such excess shall be returned to the producer, and his receipt therefor obtained. If, for any reason, the receipts of such producer shall not be available, the board shall deposit such excess moneys with the State Treasury as trustee for such owner, subject to the order of such producer, his heirs, successors or assigns.

27026. It is hereby expressly provided that the foregoing remedies of the State shall be cumulative and that no action taken by the board or the Attorney General shall be or be construed to be an election on the part of the State or any of its officers to pursue any remedy hereunder to the exclusion of any other remedy for which provision is made in this part.

CHAPTER 4. MISCELLANEOUS

27027. Every producer shall keep such records, receipts, invoices and other pertinent papers in such form as the board may require. The board or its representatives are hereby authorized to examine the books, papers, records, and equipment of any producer, carrier, pipe-line company or any other person or any department or office of the State in order to verify the accuracy of any return made, or if no return was made by the producer, to ascertain and assess the tax imposed by this act. The board is also hereby authorized to require the furnishing of such information or reports by carriers, pipe-line companies or other persons as may be deemed necessary for the administration of this part.

27028. The board is hereby charged with the enforcement of the provisions of this part and is hereby authorized and empowered to prescribe, adopt and enforce rules and regulations relating to the administration and enforcement of the provisions hereof and to employ such accountants, auditors, investigators, assistants and clerks as may be determined to be necessary for the efficient administration of this part and

may designate representatives to conduct hearings, prescribe regulations or perform any other duties imposed by this part or other laws of this State upon the board.

27029. It shall be unlawful for the board or any person having an administrative duty under this act to divulge or to make known in any manner whatever the business affairs, operations or information obtained by an investigation of the records and equipment of any producer visited or examined in the discharge of official duty, or the amount or source of income, profits, losses, expenditures or any particular thereof, set forth or disclosed in any return, or to permit any return or copy thereof or any book containing any abstract or particulars thereof to be seen or examined by any person except as provided by law; provided, however, that the Governor may authorize examination of such returns by other state officers, by tax officers of another state, or the Federal Government, if a reciprocal arrangement exists, and any other persons the Governor may so authorize.

Any violation of the provisions of this section shall be a misdemeanor and be punished by a fine not exceeding one thousand dollars ($1,000), or by imprisonment not exceeding one year, or both, at the discretion of the court.

27030. All fees, taxes, interest and penalties imposed under this part shall be paid to the board in the form of remittances payable to the State Board of Equalization. The board shall transmit all moneys received by it under this part to the State Treasurer to be deposited in the State Treasury to the credit of the Severance Tax Fund, which fund is hereby created. All money deposited in the fund under this part is hereby appropriated to pay the refunds authorized in this part and to the Highway Users Tax Fund. The Controller shall transfer the balance of all money deposited in the Severance Tax Fund, after the payment of refunds, to the Highway Users Tax Fund. The Controller shall make the transfer at the same time as the transfers to the Highway Users Tax Fund as moneys received under the Motor Vehicle Fuel License Tax Law are made.

27031. No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against this State or against any officer thereof to prevent or enjoin under this act the collection of any tax sought to be collected but after payment of any such tax the producer paying the tax may bring an action against the board in a court of competent jurisdiction in the County of Sacramento for the recovery of the amount of tax paid. No such action may be instituted more than one year after the tax becomes due and payable, and failure to bring suit within said one year shall constitute a waiver of any and all demands against the State on account of an alleged overpayment of taxes hereunder.

If in any such action judgment is rendered for the plaintiff, the amount of the judgment shall first be credited on any taxes due from the plaintiff under this part, and the balance of the judgment shall be refunded to the plaintiff. In any such judgment, interest shall be allowed at the rate of 6 percent per annum upon the amount of tax found to have been illegally collected from the date of payment of such tax to the date of allowance of credit on account of such judgment or to a date preceding the date of the refund warrant by not more than 30 days, such date to be determined by the board.

In no case shall any judgment be rendered in favor of the plaintiff in any action brought against the State Treasurer to recover any tax paid hereunder, when such action is brought by or in the name of an assignee of the producer paying said tax, or by any person other than the person who has paid such tax.

27032. Any producer failing or refusing to furnish any return hereby required to be made, or failing or refusing to furnish a supplemental return or other data required by the board, or rendering a false or fraudulent return, shall be guilty of a misdemeanor and subject to a fine of not exceeding five hundred dollars ($500) for each such offense.

Any person required to make, render, sign or verify any report as aforesaid, who makes any false or fraudulent return, with intent to defeat or evade the assessment required by law to be made, shall be guilty of a misdemeanor, and shall for each such offense be fined not less than three hundred dollars ($300) and not more than five thousand dollars ($5,000) or be imprisoned not exceeding one year in the county jail or be subject to both said fine and imprisonment in the discretion of the court.

27033. Any violation of the provisions of this part, except as otherwise herein provided, shall be a misdemeanor and punishable as such."

Amendment No. 3

On page 25, line 31, of said bill, strike out "and 37.1", and insert "37.1, and 37.7".

Amendments Offered by Mr. Hollibaugh

Amendment No. 1

In line 9 of the title of the printed bill, after "add", insert "Article 2 of Chapter 2 of Division 1, and".

Amendment No. 2

On page 11 of the printed bill, between lines 24 and 24, insert

"SEC. 1.9. A new Article 2 is added to Chapter 2 of Division 1 of said code, to read:

Article 2. The Expressways System of State Highways

250. There is hereby established an expressway system of state highways to include those highway routes in metropolitan areas described in this article and such other and additional highway routes as may be designated as expressways by this code or any other statute.

252. The terms "express highways," "expressway," and "freeway" shall be synonymous and interchangeable and all of the statutes of this State applicable to freeways shall, unless inconsistent with any of the provisions of this chapter, be applicable to the expressway system of highways described or provided for in this code or any other statute designating any highway route as an expressway or freeway.

253 Nothing in this article shall be deemed to prevent the commission or the department from acquiring rights of way for or constructing any other state highway as an expressway or freeway or declaring any state highway to be a freeway as authorized under any of the provisions of this code or any other statute.

254. The highways in the expressway system shall be state highways for all purposes under the provisions of this code and any other statute of this State.

255 An express highway shall be so designed and constructed as to incorporate such basic engineering features and facilities as will best serve the traffic for which the expressway is intended. Every such expressway shall be so designed or located as to avoid so far as practicable, with due regard for public investment in existing highways, interference with access between any existing rail facility and contiguous or adjacent property which is used, developed or zoned for industrial purposes.

256 The department, in determining the design of an express highway and having regard to the location thereof and the traffic conditions then existing or anticipated, shall give consideration to the following basic features, any or all of which shall be incorporated when determined by the department to be appropriate and practical to accomplish the purposes of this chapter:

(1) One or more roadways for vehicular traffic so designed and constructed that vehicular traffic may enter or leave only at entrances and exits regularly established by public authority; provided, that there shall be no restrictions against the use of such entrances and exits by all classes of traffic, but the routes between such entrances and exits on the one hand and industrial and commercial establishments on the other hand may be restricted with respect to commercial vehicles if reasonable routes are provided in lieu thereof for such commercial vehicles.

(2) Grade separation structures or other devices to eliminate crossings at grade of state and county highways and city streets.

(3) Physical barriers to separate opposing traffic and to prevent left turns across opposing traffic.

(4) Entrance and exit facilities which are appropriate to permit vehicles to enter and leave the highway with the least interference with through traffic.

(5) Such physical barriers as are appropriate to protect the traveled way against lateral interference and encroachments

(6) Such additional width of roadways or turnouts as may be deemed appropriate to accommodate disabled vehicles off of the main traveled way.

(7) Such other physical features and facilities as may be developed to increase traffic safety and to facilitate traffic movement. Suitable crossings shall be maintained with respect to each expressway established in this article and any freeway or limited access highway so as not to hinder the normal economic and social development of any community through which such highways pass.

257 Any express highway may be so designed and constructed as to include provision for service roads adjacent to the express roadway and to which service roads owners and occupants of abutting property may have access.

258 The department shall acquire the necessary rights of way for, and shall design, construct and maintain the system of expressways as described herein and for such purposes shall exercise all of the powers and duties vested in the department by this code or any other statute relating to the state highways within this State.

259 The department shall acquire rights of way which are adequate to permit the ultimate development of traveled ways as described herein.

260. The commission and every city and county are hereby authorized to enter into cooperative agreements whereby any revenues available for expenditure on state or county highways or city streets may be allocated to and expended upon any expressway route either within or outside such city or county

261 The department may delegate any expenditure of moneys allocated for express highways to any city within which any such highway is located, as in cases of other expenditures on state highways within cities.

262 The commission in exercising the powers as provided in this article shall not have authority to impose any liability on any city or county to pay any portion of the costs or for damages except by an agreement between the said state agencies

and such city or county. No state or county highway or city street shall be opened into or connected with any expressway route designated as herein provided without the consent and previous approval expressed by resolution adopted by the commission.

The department and the city or county within which any expressway is located shall agree in writing on the type of separation of grades of the expressway and any city street or county highway, as the case may be, before the department constructs any underpass or overpass of such city street or county highway.

263. Common carriers by motor vehicle of passengers for hire shall be allowed to operate upon any and all expressways. Any such carrier must obtain a certificate of public convenience and necessity from Public Utilities Commission whenever required by law and also may be required to obtain a franchise from any city in any case in which the same may be required by law.

264. Any carrier by motor vehicle of property may operate upon any such expressway, subject to obtaining a certificate of public convenience and necessity from the Public Utilities Commission where required by law and subject to such regulations as may be made by any city under Section 459 of the Vehicle Code

265 The department may make regulations relative to the stopping of any carrier of passengers or property for hire for the purpose of loading or unloading of passengers and property, as may be required for public safety and convenience on such expressways, and any such carrier shall operate in accordance with such regulations, and not otherwise

266 The expressway system in metropolitan areas shall include the following routes or portions of routes:

For the purposes of this article reference is hereby made to the seven metropolitan districts of California as defined by the United States Bureau of the Census in the decennial census of 1940. The expressway system shall include those portions or extensions of the following state highway routes which lie within any of the said metropolitan districts

(1) From the Mexican boundary near Tiajuana to San Francisco, and from the south shore of Marin County to the Oregon state line near the town of Smith River via San Diego, Los Angeles, San Jose San Francisco and the coast counties.

(2) From the Mexican boundary near Calexico to the Oregon state line near Hilt via the San Joaquin and Sacramento Valley, the Shasta River Canyon and the cities of Los Angeles, Fresno, Stockton and Sacramento

(3) From the expressway described in paragraph (1) above near San Bruno to the Nevada state line near Verdi via San Francisco, Oakland and Sacramento.

(4) From San Diego to the Arizona state line near Yuma

(5) From San Diego to the Nevada state line near Calada via Box Springs and Cajon Pass

(6) From the expressway route described in paragraph (1) above near San Jose to the expressway route described in paragraph (3) above near the distribution structure in Oakland

(7) From the expressway route described in paragraph (6) above near Hayward to the expressway route described in paragraph (2) above near Stockton

(8) State highway routes in Los Angeles metropolitan district:

Route 158 from Route 2 to Route 167

Route 161 from Route 2 to Route 4 and from Route 4 to Route 205.

Route 162 from Route 2 to Route 60

Route 165 from Route 2 to San Pedro.

Route 167 from Route 166 to Long Beach.

Route 173 from Route 166 to Route 60.

Route 205 from Route 161 to Route 165.

Route 221 from Route 165 to Route 60

Route 222 from Route 205 to Route 165

(9) State highway routes in San Francisco, Oakland and San Jose Metropolitan districts:

Route 2 from Route 224 to Route 56 and from Route 68 to Route 225.

Route 223 from Route 2 near Division Street to Route 56.

Route 224 from Route 2 near Lombard Street and Van Ness Avenue to Route 68 at the San Francisco-Oakland Bay Bridge approach in San Francisco

Route 225 from Route 2 to Route 56

Route 75 from Route 5 to Walnut Creek.

Route 206 from Route 75 to Route 69

Route 226 from Route 5 to Alameda near Santa Clara Avenue.

Route 227 from Route 5 to Route 75.

Route 228 from Route 5 to Route 69.

Route 5 from Route 228 to Route 69 near the distribution structure in Oakland."

Amendments Offered by Mr. Bennett

Amendment No. 1

In line 8 of the title of the printed bill, as amended in the Assembly on June 10, 1947, strike out "467,".

Amendment No. 2

On page 11 of said bill, strike out lines 25 to 27, inclusive; and in line 28, strike out "SEC. 2.1", and insert

"SEC. 2".

MOTION TO ADJOURN

Mr. Dickey moved that the Assembly now adjourn until Friday, June 13, at 2 p.m.

Substitute Motion

Mr. Beck moved that the Assembly now adjourn until Wednesday, June 11, at 2 p.m.

The roll was called, and the substitute motion carried by the following vote:

AYES—Beck, Bennett, Berry, Blosser, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Conrad, Cooke, Crichton, Crowley, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Dolwig, Evans, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hinton, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Maloney, McCollister, McMillan, Miller, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Waters, Wollenberg, and Mr. Speaker—57.

NOES—Anderson, Brady, Collier, George D. Collins, Ralph C. Dills, Doyle, Field, Hawkins, Hinckley, Hollibaugh, Lyons, Niehouse, and O'Day—13.

ADJOURNMENT

At 5.24 p.m., on motion of Mr. Beck, the Speaker declared the Assembly adjourned until 2 p.m., Wednesday, June 11, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

SEVENTY-FIFTH LEGISLATIVE DAY
ONE HUNDRED FIFTIETH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Wednesday, June 11, 1947

The Assembly met at 2 p.m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Sillman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—77.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

Remember, O Lord, Thy servants and all here present whose faith and devotion are known to Thee, for whom we offer, or who offer up to Thee, this prayer of praise, for themselves, their families and their friends, for the salvation of their souls, and the health and welfare they hope for, and who now pay their vows to Thee, God Eternal, Living and True—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Collier, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day:
Mr. Evans, by unanimous consent.

NOTICE OF MOTION TO WITHDRAW ASSEMBLY BILL NO. 48 FROM COMMITTEE

Mr. Elliott gave notice that on the second legislative day he would move to withdraw Assembly Bill No. 48 from the Committee on Conservation, Planning, and Public Works, and have it placed upon the file.

REQUEST FOR UNANIMOUS CONSENT THAT NOTICE OF MOTION TO RECONSIDER BE CONTINUED

Mr. Sherwin asked for unanimous consent that his notice of motion to reconsider Mr. O'Day's amendments to Assembly Bill No. 46 be continued until the next legislative day.

Messrs. Wollenberg and Hollibaugh withheld unanimous consent.

Unanimous Consent Granted That Reconsideration of Mr. O'Day's Amendments to Assembly Bill No. 46 Be Passed Temporarily

Messrs. Sherwin and O'Day asked for, and were granted, unanimous consent that reconsideration of Mr. O'Day's amendments to Assembly Bill No. 46 be passed temporarily.

UNANIMOUS CONSENT GRANTED THAT PROPOSED AMENDMENTS TO ASSEMBLY BILL NO. 46, NOW AT THE DESK, BE CONSIDERED AT THIS TIME

By unanimous consent, proposed amendments to Assembly Bill No. 46, now at the desk, will be considered at this time; and the bill will not be sent to reprint until all pending amendments are given consideration.

FURTHER CONSIDERATION OF ASSEMBLY BILL NO. 46

Assembly Bill No. 46—An act to provide for a System of Public Streets and Highways in this State and for the financial support thereof, including the levying of taxes therefor, and relating to vehicles thereon and for that purpose to repeal Article 2 of Chapter 2 of Division 1 and Sections 180, 188, 190, 191, 203, 232, 1021, 1022, 1023, 1024, 1621, 1625.5, 1626, 1626.5, 1627, and 1628 of, to amend Sections 143, 181, 183, 189, 193, 194, 195, 300, 458, 461, 467, 823, 824, 1028, 1029, and 1622 of, and to add Division 3, and Article 2.5 of Chapter 3 of Division 1, and Sections 29, 74, 143 1, 143.2, 188, 188.4, 521, 522, 523, 524, 525, and 526 to, the Streets and Highways Code, to repeal Sections 276.5, 779, 780, and 782, and to amend Sections 276, 277, 370, 372, 381, and 781 of, and to add Section 372.1 to the Vehicle Code, and to repeal Part 4, comprising Sections 9601 to 10501, inclusive, of Division 2 and Sections 8353, 8353.5, 8354, 8355, 8356, 8357, and 8358 of, to amend Sections 7351, 8352, 8651, 9302, 9303, and 9304 of, and to add Section 8353 to, the Revenue and Taxation Code, and to amend Section 7 of Chapter 788 of the Statutes of 1937.

Bill read third time.

Motion to Amend

Mr. Lowrey moved the adoption of the following amendment:

Amendment No. 1

On page 23, lines 32 and 33, of the printed bill, strike out "six dollars ($6)", and insert "four dollars ($4)".

Amendment read.

Point of Order

Mr. Lowrey arose to the following point of order: That Messrs. Robertson and Kirkwood are not speaking to the amendment.

Ruling by Speaker

Speaker Collins ruled the point of order well taken.

The question being on adoption of the amendment offered by Mr. Lowrey to Assembly Bill No. 46.

The roll was called, and the amendment refused adoption by the following vote:

AYES—Anderson, Beck, Bennett, Berry, Brady, Brown, Carey, Clarke, George D. Collins, Cooke, Cramer, Lester T. Davis, Clayton A. Dills, Ralph C. Dills, Doyle, Elliott, Gaffney, Hawkins, Heisinger, Kilpatrick, Loomis, Lowrey, Luckel, Lyons, Maloney, Nicholson, Rosenthal, Sheridan, and Thomas—29

NOES—Blosser, Burke, Burns, Butters, Caldecott, Collier, Conrad, Crichton, M. Philip Davis, Debs, Dolwig, Dunn, Erwin, Field, Gannon, Geddes, Grant, Grunsky, Hahn, Hinckley, Hinton, Hollibaugh, James, Johnson, Knight, McCollister, McMillan, Price, Robertson, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—41.

Consideration of Further Amendments to Assembly Bill No. 46

Motion to Amend

Mr. George D. Collins moved the adoption of the following amendments:

Amendment No. 1

In line 18 of the title of the printed bill, as amended in the Assembly on June 10, 1947, after "add", insert "Part 15, comprising Sections 27000 to 27033, inclusive, to Division 2 of, and".

Amendment No. 2

On page 25 of said bill, between lines 29 and 30, insert

"SEC. 37.7 Part 15, comprising Sections 27000 to 27033, inclusive, is added to Division 2 of the Revenue and Taxation Code, to read:

PART 15 SEVERANCE TAX

CHAPTER 1. GENERAL PROVISIONS AND DEFINITIONS

27000 This part shall be known and may be cited as the "Severance Tax Act of 1947."

27001 The following words, terms and phrases when used in this act have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

(a) "Person" means any individual, firm, copartnership, joint adventure, association, corporation, estate, trust, business trust, receiver, syndicate, this State, any county, city and county, municipality, district or other political subdivision thereof, or any other group or combination acting as a unit, and the plural as well as the singular number.

(b) "Producer" means every person engaged in severing petroleum, natural gas or natural gasoline from the earth, whether as owner, lessee or otherwise

(c) "Severing" means extracting, separating, detaching, producing, removing or in any manner gathering petroleum, natural gas or natural gasoline from the earth

(d) "Board" means the State Board of Equalization

(e) "In this State" means within the exterior limits of the State of California and includes all territory within such limits owned by or ceded to the United States of America.

(f) "Owner" means any person, including a lessor, having any interest in petroleum, natural gas or natural gasoline at the time of the severance thereof from the earth, which interest entitles such person to a fixed or determinable share in the amount of such petroleum, natural gas or natural gasoline, or the value thereof.

CHAPTER 2 IMPOSITION OF TAX

27003. From and after July 1, 1947, for the privilege of severing petroleum, natural gas or natural gasoline from the earth an excise tax, predicated upon the quantities severed from the earth in this State, is hereby imposed upon owners at the following rates:

Petroleum of below 15° gravity A. P. I., fourteen (14) cents per barrel of 42 gallons.

Petroleum of 15° gravity A. P. I. up to but not including 19° gravity A. P. I., fifteen (15) cents per barrel of 42 gallons.

Petroleum of 19° gravity A. P. I. up to but not including 23° gravity A. P. I., sixteen (16) cents per barrel of 42 gallons.

Petroleum of 23° gravity A. P. I up to but not including 28° gravity A. P. I., nineteen (19) cents per barrel of 42 gallons.

Petroleum of 28° gravity A. P. I. up to but not including 34° gravity A. P. I., twenty-two (22) cents per barrel of 42 gallons.

Petroleum of 34° gravity A. P. I and above, twenty-seven cents ($0.27) per barrel of 42 gallons.

Natural gas, one and two-tenths (1.2) cents per 1,000 cubic feet; provided, however, that there shall be deducted from the amount of natural gas severed from the earth by a producer the amount thereof returned to the earth by such producer for repressuring purposes.

Natural gasoline, one and two-tenths (1.2) cents per gallon.

27004. The tax herein imposed shall be paid at the time and in the manner hereinafter provided and shall be in addition to any and all other taxes.

27005. The producer shall collect or withhold from the owners the proportionate parts of the total tax due from the respective owners with respect to the petroleum, natural gas or natural gasoline severed from the earth by such producer. The total amount of the tax due with respect to the petroleum, natural gas or natural gasoline severed from the earth by a producer shall be due and payable monthly by the producer on or before the twentieth day of the month following each calendar month.

27006 Each producer shall, on or before the twentieth day of August, 1947, and on or before the twentieth day of each and every month thereafter, file with the board on forms prescribed by it a return showing the amount of petroleum, natural gas and natural gasoline severed from the earth during the preceding calendar month and such other information as the board may deem necessary for the administration of the tax. The producer shall transmit with each such return a remittance payable to the board for the amount of tax due hereunder. If the board deems it necessary in order to insure the payment of the tax herein imposed, it may require returns and payment of the tax to be made for other than monthly periods.

27007 The board for good cause may extend for not to exceed 30 days the time for making any return required herein.

27008. Any person failing to pay any tax, except taxes assessed by the board under the provisions of Sections 27015 and 27016 hereof, within the time required by this act shall pay in addition to the tax a penalty of 10 percent of the amount thereof and interest thereon at the rate of one-half of 1 percent a month, or fraction thereof, from the date at which the tax became due and payable until the date of payment.

CHAPTER 3. ADMINISTRATION

Article 1. Issuance of Permits

27010. It shall be unlawful after July 1, 1947, for any person to act as a producer in this State without first securing a permit as prescribed herein. An application for such permit must be made to the board upon a form prescribed by the board The application shall be signed by the owner if a natural person; in the case of an association or partnership, by a member or partner thereof and in the case of a corporation, by an executive officer thereof or some person specifically authorized by the corporation to sign the application, to which shall be attached the written evidence of his authority. Any person who acts as a producer in this State without a permit, or after a permit has been suspended or revoked, and the officers of any corporation which so acts as a producer, shall be guilty of a misdemeanor.

27011. At the time of making an application for a permit, the applicant shall pay to the board a permit fee of five dollars ($5). A producer need obtain only one permit.

27012. Upon the payment of such permit fee and compliance with other requirements imposed herein, the board shall issue to each applicant a permit to act as a producer. A permit is not assignable and shall be valid only for the person in whose name it is issued.

27013. Permits issued under the provisions of this part shall be valid and effective without further payment of fees until suspended or revoked by the board. A fee of five dollars ($5) shall be collected by the board for the renewal or issuance of a permit to a producer whose permit has been previously suspended or revoked.

27014. Whenever the holder of a permit fails to comply with any provision of this part or any rule or regulation of the board prescribed and adopted under this act, the board upon hearing after giving 10 days' notice in writing of the time and place of the hearing to show cause why his permit should not be revoked, may revoke or suspend the permit.

Article 2. Assessments and Penalties

27015. If the board is not satisfied with the return filed or amount of tax paid by any producer, it is hereby authorized and empowered to make an additional assessment of tax due from such producer based upon any information available to it. All additional assessments shall bear interest at the rate of one-half of 1 percent a month, or fraction thereof, from the twentieth day after the close of the month or months, as

the case may be, for which the additional assessment is imposed until the date of payment. If any part of the deficiency for which the additional assessment is imposed is due to negligence or intentional disregard of this part or authorized rules and regulations, a penalty of 10 percent of the amount of the additional assessment shall be added thereto. If any part of the deficiency for which the additional assessment is imposed is due to fraud or an intent to evade the tax, a penalty of 25 percent of the amount of the additional assessment shall be added thereto. The board shall give to the producer written notice of such additional assessment. Such notice may be served upon the producer personally or by mail; if by mail, service shall be made in the manner prescribed by Section 1013 of the Code of Civil Procedure and addressed to the producer at his address as the same appears in the records of the board.

27016. If a producer neglects or refuses to make a return as required herein, the board shall make an estimate based upon any information available to it of the amount of the petroleum, natural gas and natural gasoline produced by such producer during the month or months in respect to which he failed to make a return, and upon the basis of said estimate compute and assess the tax payable by the producer, adding to the sum thus arrived at a penalty equal to 10 percent thereof. All such assessments shall bear interest at the rate of one-half of 1 percent a month, or fraction thereof, from the twentieth day after the close of the month or months, as the case may be, for which such assessments are imposed until the date of payment. If the neglect or refusal of a producer to file a return as required by this act was due to fraud or an intent to evade the tax, there shall be added to the tax a penalty equal to 25 percent thereof in addition to the 10 percent penalty as above provided. Promptly thereafter the board shall give to the producer written notice of such estimate, tax and penalty, the notice to be served personally or by mail in the same manner as prescribed for service of notice by the provisions of Section 27015 hereof.

27017. If the board determines that the collection of any tax or assessment imposed by or under this part will be jeopardized by delay, it shall thereupon make an assessment of such tax, noting its determination thereon, and the amount of such assessment shall be immediately due and payable. If the amount of the tax, interest and penalty specified in the jeopardy assessment is not paid within 10 days after the service upon the producer of notice of the assessment, such assessment becomes final at the expiration of such 10 days, unless a petition for reassessment is filed within such 10 days, and the delinquency penalty and interest provided in Section 27008 hereof shall attach to the amount of the tax specified therein.

The producer against whom a jeopardy assessment is levied hereunder may petition for the reassessment thereof pursuant to Section 27018 hereof; provided, however, that such petition for reassessment must be filed with the board within 10 days after the service upon the producer of notice of the assessment; and provided further, that the producer must within said 10-day period deposit with the board such security as it may deem necessary to insure compliance with the provisions of this part. Such security may be sold by the board in the manner prescribed by Section 27022 hereof.

27018. Any producer against whom an assessment is made by the board under the provisions of Section 27015 or 27016 hereof may petition for a reassessment thereof within 30 days after service upon the producer of notice thereof. If a petition for reassessment is not filed within said 30-day period, the amount of the assessment becomes final at the expiration thereof.

If a petition for reassessment is filed within said 30-day period, the board shall reconsider the assessment and, if the producer has so requested in his petition, shall grant said producer an oral hearing before the board and shall give the producer 10 days' notice of the time and place thereof. The board shall have power to continue the hearing from time to time as may be necessary. The order or decision of the board upon a petition for reassessment shall become final 30 days after service upon the producer of notice thereof.

All assessments made by the board under the provisions of Section 27015 or 27016 hereof shall become due and payable at the time they become final and if not paid when due and payable there shall be added thereto a penalty of 10 percent of the amount of the tax. Any notice required by this section shall be served personally or by mail in the same manner as prescribed for service of notice by the provisions of Section 27015 hereof.

27019. Except in the case of a fraudulent return, or neglect or refusal to make a return, every notice of additional tax proposed to be assessed hereunder shall be mailed to the producer within three years after the return was filed.

Article 3. Refunds

27020. If the board determines that any amount has been paid hereunder contrary to law, the board shall set forth that fact in its records and shall certify to the State Board of Control the amount collected in excess of what was legally due, from whom it was collected, or by whom paid, and if approved by that board the same shall be credited on any taxes then due from the producer under this act and the balance shall be refunded to the producer, or his successors, administrators, executors or assigns, but no such credit or refund shall be allowed unless a claim therefor is filed with the State Board of Equalization within three years from the date of the overpayment. Such claim must be in writing and state the specific grounds on which it is founded.

Any refund or any portion thereof which is erroneously made and any credit or any portion thereof which is erroneously allowed may be recovered in an action brought by the State Board of Equalization in a court of competent jurisdiction in the County of Sacramento, in the name of the people of the State of California and such action shall be tried in the County of Sacramento unless the court, with the consent of the Attorney General, orders a change of place of trial. The Attorney General must prosecute such action, and the provisions of the Code of Civil Procedure relating to service of summons, pleadings, proofs, trials and appeals are applicable to the proceedings herein provided for.

In the event that a tax has been illegally assessed against a producer the board shall certify such fact to the State Board of Control and, if the State Board of Control approves, it shall authorize the cancellation of the tax upon the records of the board.

Article 4. Liens

27021. In any case in which any tax, interest, or penalty imposed by this part is not paid when due or in any case where an assessment is made under the provisions of Sections 27015, 27016, or 27017 of this act, then in either event, the board may file for record in any county a certificate giving the name of the producer and the amount of taxes, interest and penalties due or specified in the assessment as the case may be. From the time of the recording of any such certificate the amount of the tax, interest and penalties therein set forth shall constitute a lien upon any real property then owned or thereafter acquired by the producer named in such certificate located in the county in which said certificate is recorded, which lien shall have the same force, effect and priority as a lien created by the recording of an abstract of judgment under Section 674 of the Code of Civil Procedure. Said lien shall continue, however, for five years or until the tax is paid, the property sold for the nonpayment thereof or until the lien is released or otherwise extinguished. The board may at any time release all or any portion of the property subject to said lien, from such lien or subordinate such lien to other liens or interests, if it determines that the tax, interest and penalties are sufficiently secured by a lien on other property or that the release or subordination of the lien will not endanger or jeopardize the collection of the tax, interest or penalties. A certificate by the board to the effect that any property has been released from any lien herein provided for or that such lien has been subordinated to other liens or interest, shall be conclusive evidence that the property has been released or that the lien has been subordinated as provided in the certificate.

27022. The board may require any person subject to the tax herein imposed to deposit with it such security as it may deem necessary to insure compliance with the provisions hereof. Such security may be sold by the board at public sale if it becomes necessary so to do in order to recover any tax, interest or penalty due. Notice of such sale may be served upon the person who deposited such security personally or by mail; if by mail, service shall be made in the manner prescribed by Section 1013 of the Code of Civil Procedure and addressed to the person at his address as the same appears in the records of the board. Upon any such sale, the surplus, if any, above the amounts due under this act shall be returned to the person who deposited the security.

27023. In the event that any producer is delinquent in the payment of the tax, interest or penalty imposed herein, the board may give notice of the amount of such delinquency by registered mail to all persons having in their possession, or under their control, any credits or other personal property belonging to such producer, or owing any debts to such producer at the time of receipt by them of such notice and thereafter any person so notified shall neither transfer nor make any other disposition of such credits, other personal property or debts until the board shall have consented to a transfer or disposition or until 20 days shall have elapsed from and after the receipt of such notice. All persons so notified must, within five days after receipt of such notice, advise the board of any and all such credits, other personal property or debts, in their possession, under their control or owing by them, as the case may be.

27024. At any time within three years after the delinquency of any tax, interest or penalty, the board may bring an action in a court of competent jurisdiction in the name of the people of the State of California to collect the amount delinquent. The Attorney General shall prosecute such action and the provisions of the Code of Civil Procedure relating to service of summons, pleadings, proofs, trials and appeals are applicable to the proceedings herein provided for. In such an action a writ of attachment may issue, and no bond or affidavit previous to the issuing of said attachment is required. In such action a certificate by the board showing the delinquency shall be prima facie evidence of the levy and assessment of the tax in the amount specified therein, of the delinquency of the amount of tax, interest and penalty and of compliance by the board with all the provisions of this act in relation to the computation, assessment and levy of such amount of tax, interest and penalty.

27025. At any time within three years after any producer is delinquent in the payment of the tax herein provided for, the board may proceed forthwith to collect the tax due from the producer in the following manner: The board shall seize any property, real or personal, subject to the lien herein provided and thereafter sell at public auction such property so seized, or a sufficient portion thereof, to pay the tax, interest and penalties due hereunder and any and all costs that may have been incurred on

account of such seizure and sale. Notice of such intended sale and the time and place thereof, shall be given to such delinquent producer in writing at least 10 days before the date set for such sale by inclosing a form of such notice in an envelope addressed to said producer at his last-known place of business in this State, if any, and depositing the same in the United States mail, postage prepaid, and by publication for at least 10 days before the date set for such sale in a newspaper of general circulation published in the county or city and county in which the property seized is to be sold; provided, however, that if there be no newspaper of general circulation in such county or city and county, then by the posting of such notice in three public places in such county or city and county for said 10-day period. The said notice shall contain a description of the property to be sold, together with a statement of the amount of the taxes, interest, penalties and cost, the name of the producer, and the further statement that, unless such taxes, interest, penalties and costs are paid on or before the time fixed in said notice for such sale, said property, or so much thereof as may be necessary, will be sold in accordance with law and said notice.

At any such sale, the property shall be sold by the board or its duly authorized agent in accordance with law and said notice, and the board shall deliver to the purchaser a bill of sale for the personal property, and a deed for any real property so sold, and such bill of sale or deed shall vest title in the purchaser. The unsold portion of any property so seized may be left at the place of sale at the risk of the producer. If, upon any such sale, the moneys so received shall exceed the amount of all license taxes, interest, penalties and costs due the State from such producer, such excess shall be returned to the producer, and his receipt therefor obtained. If, for any reason, the receipts of such producer shall not be available, the board shall deposit such excess moneys with the State Treasury as trustee for such owner, subject to the order of such producer, his heirs, successors or assigns.

27026. It is hereby expressly provided that the foregoing remedies of the State shall be cumulative and that no action taken by the board or the Attorney General shall be or be construed to be an election on the part of the State or any of its officers to pursue any remedy hereunder to the exclusion of any other remedy for which provision is made in this part.

CHAPTER 4. MISCELLANEOUS

27027. Every producer shall keep such records, receipts, invoices and other pertinent papers in such form as the board may require. The board or its representatives are hereby authorized to examine the books, papers, records, and equipment of any producer, carrier, pipe-line company or any other person or any department or office of the State in order to verify the accuracy of any return made, or if no return was made by the producer, to ascertain and assess the tax imposed by this act. The board is also hereby authorized to require the furnishing of such information or reports by carriers, pipe-line companies or other persons as may be deemed necessary for the administration of this part.

27028. The board is hereby charged with the enforcement of the provisions of this part and is hereby authorized and empowered to prescribe, adopt and enforce rules and regulations relating to the administration and enforcement of the provisions hereof and to employ such accountants, auditors, investigators, assistants and clerks as may be determined to be necessary for the efficient administration of this part and may designate representatives to conduct hearings, prescribe regulations or perform any other duties imposed by this part or other laws of this State upon the board.

27029. It shall be unlawful for the board or any person having an administrative duty under this act to divulge or to make known in any manner whatever the business affairs, operations or information obtained by an investigation of the records and equipment of any producer visited or examined in the discharge of official duty, or the amount or source of income, profits, losses, expenditures or any particular thereof, set forth or disclosed in any return, or to permit any return or copy thereof or any book containing any abstract or particulars thereof to be seen or examined by any person except as provided by law; provided, however, that the Governor may authorize examination of such returns by other state officers, by tax officers of another state, or the Federal Government, if a reciprocal arrangement exists, and any other persons the Governor may so authorize.

Any violation of the provisions of this section shall be a misdemeanor and be punished by a fine not exceeding one thousand dollars ($1,000), or by imprisonment not exceeding one year, or both, at the discretion of the court.

27030. All fees, taxes, interest and penalties imposed under this part shall be paid to the board in the form of remittances payable to the State Board of Equalization. The board shall transmit all moneys received by it under this part to the State Treasurer to be deposited in the State Treasury to the credit of the Severance Tax Fund, which fund is hereby created. All money deposited in the fund under this part is hereby appropriated to pay the refunds authorized in this part and to the Highway Users Tax Fund. The Controller shall transfer the balance of all money deposited in the Severance Tax Fund, after the payment of refunds, to the Highway Users Tax Fund. The Controller shall make the transfer at the same time as the transfers to the Highway Users Tax Fund as moneys received under the Motor Vehicle Fuel License Tax Law are made.

27031. No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against this State or against any officer thereof to prevent or enjoin under this act the collection of any tax sought to be collected but after payment of any such tax the producer paying the tax may bring an action against the board in a court of competent jurisdiction in the County of Sacramento for the recovery of the amount of tax paid. No such action may be instituted more than one year after the tax becomes due and payable, and failure to bring suit within said one year shall constitute a waiver of any and all demands against the State on account of an alleged overpayment of taxes hereunder.

If in any such action judgment is rendered for the plaintiff, the amount of the judgment shall first be credited on any taxes due from the plaintiff under this part, and the balance of the judgment shall be refunded to the plaintiff. In any such judgment, interest shall be allowed at the rate of 6 percent per annum upon the amount of tax found to have been illegally collected from the date of payment of such tax to the date of allowance of credit on account of such judgment or to a date preceding the date of the refund warrant by not more than 30 days, such date to be determined by the board.

In no case shall any judgment be rendered in favor of the plaintiff in any action brought against the State Treasurer to recover any tax paid hereunder, when such action is brought by or in the name of an assignee of the producer paying said tax, or by any person other than the person who has paid such tax.

27032. Any producer failing or refusing to furnish any return hereby required to be made, or failing or refusing to furnish a supplemental return or other data required by the board, or rendering a false or fraudulent return, shall be guilty of a misdemeanor and subject to a fine of not exceeding five hundred dollars ($500) for each such offense.

Any person required to make, render, sign or verify any report as aforesaid, who makes any false or fraudulent return, with intent to defeat or evade the assessment required by law to be made, shall be guilty of a misdemeanor, and shall for each such offense be fined not less than three hundred dollars ($300) and not more than five thousand dollars ($5,000) or be imprisoned not exceeding one year in the county jail or be subject to both said fine and imprisonment in the discretion of the court.

27033. Any violation of the provisions of this part, except as otherwise herein provided, shall be a misdemeanor and punishable as such."

Amendment No. 3

On page 25, line 31, of said bill, strike out "and 37.1", and insert "37.1, and 37.7".

Amendments read.

Motion to Table

Mr. Burns moved that the amendments offered by Mr. George D. Collins to Assembly Bill No. 46 be laid on the table.

Messrs. Loomis and Thurman seconded the motion.

The roll was called, and the motion carried by the following vote:

AYES—Blosser, Brown, Burke, Burns, Butters, Caldecott, Clarke, Collier, Conrad, Cramer, Crichton, M. Philip Davis, Debs, Dickey, Dolwig, Doyle, Gannon, Geddes, Grunsky, Hinckley, Hinton, Hollibaugh, James, Johnson, Kirkwood, Knight, Loomis, Luckel, Lyons, Maloney, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thompson, Thorp, Thurman, Waters, Wollenberg, and Mr. Speaker—42.

NOES—Anderson, Beck, Bennett, Berry, Brady, George D. Collins, Cooke, Lester T. Davis, Ralph C. Dills, Dunn, Elliott, Gaffney, Hahn, Lowrey, Miller, Robertson, and Thomas—17.

Notice of Motion to Reconsider Motion Whereby Amendments to Assembly Bill No. 46 Were Laid on Table

Mr. George D. Collins gave notice that on the next legislative day he would move to reconsider the vote whereby his amendments to Assembly Bill No. 46 were this day laid on the table.

Motion to Reconsider the Notice of Motion Given by Mr. George D. Collins, at This Time

Mr. Hollibaugh moved that the notice of motion, given by Mr. George D. Collins, that on the next legislative day he would move to reconsider the vote on the motion whereby the amendments he offered

to Assembly Bill No. 46 were this day laid on the table be taken up, at this time.

Mr. M. Philip Davis seconded the motion.

Motion carried.

The question being on the reconsideration of the motion whereby amendments offered by Mr. George D. Collins to Assembly Bill No. 46 were this day laid on the table.

The roll was called, and reconsideration refused by the following vote:

AYES—Beck, Bennett, Berry, Brady, George D. Collins, Cooke, Lester T. Davis, Ralph C. Dills, Dunn, Elliott, Gaffney, Heisinger, Lowrey, Miller, Robertson, and Thomas—16.

NOES—Blosser, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, Cramer, Crichton, M. Philip Davis, Debs, Dickey, Dolwig, Erwin, Field, Gannon, Geddes, Grant, Grunsky, Hinton, Hollibaugh, James, Johnson, Kirkwood, Knight, Loomis, Luckel, Lyons, Maloney, Price, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—45.

Consideration of Further Amendments to Assembly Bill No. 46
Motion to Amend

Mr. Thomas moved the adoption of the following amendment:

Amendment No. 1

On page 6, line 11, of the printed bill, as amended June 10, 1947, after "under", insert "Sections 2104, 2110 and".

Amendment read.

The roll was called, and the amendment refused adoption by the following vote:

AYES—Anderson, Bennett, Berry, Cramer, Debs, Clayton A. Dills, Ralph C. Dills, Dunn, Elliott, Erwin, Field, Knight, Luckel, Lyons, McMillan, Niehouse, Rosenthal, Stewart, and Thomas—19.

NOES—Blosser, Boyd, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Crichton, Lester T. Davis, M. Philip Davis, Dickey, Dolwig, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Heisinger, Hinton, Hollibaugh, James, Johnson, Kirkwood, Loomis, Lowrey, Maloney, McCollister, Miller, Price, Robertson, Sheridan, Sherwin, Silliman, Stanley, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—47.

Consideration of Further Amendments to Assembly Bill No. 46
Motion to Amend

Mr. Bennett moved the adoption of the following amendments:

Amendment No. 1

In line 8 of the title of the printed bill, as amended in the Assembly on June 10, 1947, strike out "467,".

Amendment No. 2

On page 11 of said bill, strike out lines 25 to 27, inclusive; and in line 28, strike out "SEC. 2 1/2", and insert

"SEC. 2".

Amendments read, and adopted.

Consideration of Further Amendments to Assembly Bill No. 46
Motion to Amend

Mr. Burns moved the adoption of the following amendments:

Amendment No. 1

On page 11, line 33, of the printed bill, as amended in the Assembly on June 10, 1947, after "2", and before the period, insert "near Vineland Avenue".

Amendment No. 2

On page 11, lines 38 and 39, of said bill, strike out "Mines Field", and insert "Los Angeles Airport".

Amendment No. 3

On page 11, line 40, of said bill, strike out "Municipal".

Amendment No. 4

On page 11, lines 44 and 45, of said bill, strike out "Mines Field", and insert "Los Angeles Airport".

Amendments read, and adopted.

REQUEST FOR UNANIMOUS CONSENT THAT MEMBERS BE EXCUSED

At 3.40 p.m., Mr. McMillan asked for unanimous consent that the members of the Committee on Conservation, Planning, and Public Works be excused, at this time, for the purpose of holding a meeting.

Mr. Field withheld unanimous consent.

CONSIDERATION OF FURTHER AMENDMENTS TO ASSEMBLY BILL NO. 46

Motion to Amend

Mr. Dunn moved the adoption of the following amendment:

Amendment No. 1

On page 23 of the printed bill, between lines 36 and 37, insert

"SEC. 375. Section 375 is amended to read:

(a) For special plates for vehicles:

(1) For the first set of special plates.....$110 00

But upon annual renewal for the first set of special plates.....$10.00

(2) For each additional set of plates.....$6.00"

Amendment read.

The roll was called, and the amendment refused adoption by the following vote:

AYES—Allen, Anderson, Brady, Butters, Cooke, Ralph C. Dills, Dunn, Field, Geddes, Hawkins, Heisinger, Lowrey, McMillan, O'Day, Robertson, and Thomas—16.

NOES—Beck, Berry, Blosser, Boyd, Burns, Caldecott, Carey, Clarke, Collier, Conrad, Cramer, Crichton, M. Philip Davis, Dolwig, Fletcher, Gaffney, Gannon, Grant, Grunsky, Hinckley, Hinton, Hollibaugh, James, Johnson, Kirkwood, Loomis, Luckel, Maloney, McCollister, Niehouse, Price, Silliman, Stephenson, Stewart, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—41.

The question being on the notice of motion to reconsider Mr. O'Day's amendments to Assembly Bill No. 46.

Reconsideration of O'Day Amendments to Assembly Bill No. 46

In compliance with a notice given on a previous day, Mr. Sherwin moved that the vote whereby the amendments offered by Mr. O'Day to Assembly Bill No. 46 were adopted be reconsidered.

Request for Unanimous Consent That Mr. Sherwin's Notice of Motion of Reconsideration Be Continued

Mr. Field asked for unanimous consent that Mr. Sherwin's notice of motion to reconsider the vote whereby Mr. O'Day's amendments to Assembly Bill No. 46 were previously adopted be continued until the next legislative day.

Messrs. Hollibaugh, O'Day, and Dickey withheld unanimous consent.

The question being on the motion made by Mr. Sherwin to reconsider the vote whereby amendments offered by Mr. O'Day to Assembly Bill No. 46 were adopted.

Point of Order

Mr. Ralph C. Dills arose to the following point of order: That Mr. Field is out of order because the motion of reconsideration is now before the House.

Ruling by Speaker

Speaker Collins ruled the point of order well taken.

The question being on the motion of Mr. Sherwin to reconsider the vote whereby the amendments offered by Mr. O'Day to Assembly Bill No. 46 were adopted.

Point of Order

Mr. Ralph C. Dills arose to the following point of order: That M Sherwin is not speaking to the motion.

Ruling by Speaker

Speaker Collins ruled the point of order well taken.

Motion That Further Consideration of Mr. Sherwin's Motion Be Continued Until the Next Legislative Day

Mr. Field moved that further consideration of Mr. Sherwin's motion to reconsider the vote whereby Mr. O'Day's amendments to Assembly Bill No. 46 were adopted be continued until the next legislative day.

Mr. Lowrey seconded the motion.

The roll was called, and the motion lost by the following vote:

AYES—Berry, Blosser, Burke, Butters, Clarke, Lester T. Davis, Field, Gaffney, Geddes, Heisinger, James, Knight, Loomis, Lowrey, Sherwin, Stanley, Stephenson, Stewart, and Thorp—19.

NOES—Allen, Anderson, Boyd, Brady, Brown, Caldecott, Carey, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Dels, Dickey, Ralph C. Dills, Dolwig, Dunn, Elliott, Gannon, Grant, Grunsky, Hahn, Hawkins, Hinton, Hollibaugh, Johnson, Luckel, Lyons, Maloney, McCollister, McMillan, Niehouse, O'Day, Price, Sheridan, Silliman, Thomas, Thompson, Thurman, and Waters—41

Point of Order

Mr. Ralph C. Dills arose to the following point of order: That Mr. Field is not speaking to the motion by Mr. Sherwin.

Ruling by Speaker

Speaker Collins ruled the point of order well taken.

Motion to Recess

Mr. Silliman moved that the Assembly do now recess until 2 p.m., tomorrow, Thursday, June 12, 1947.

Mr. James seconded the motion.

Substitute Motion

Mr. Ralph C. Dills moved that the Assembly do now recess for a period of five minutes.

Mr. Dickey seconded the motion.

Motion lost.

The question being on the motion by Mr. Silliman.

Motion to Table

Mr. O'Day moved that the motion by Mr. Silliman be laid on the table.

Mr. Luckel seconded the motion.

The roll was called, and the motion carried by the following vote:

AYES—Anderson, Beck, Berry, Blosser, Boyd, Brown, Burke, Butters, Caldecott, Carey, Collier, Conrad, Cooke, Crichton, Debs, Dickey, Ralph C. Dills, Dolwig, Dunn, Elliott, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hawkins, Hinckley, Hinton, Hollibaugh, Johnson, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Sheridan, Stanley, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—50

NOES—Brady, Field, James, Knight, Sherwin, Silliman, Stephenson, Thomas, and Thorp—9.

Request to Be Excused from Voting on Amendments

Mr. Burns requested that he be excused from voting on the trucking amendments.

Request granted.

Demand for Previous Question

Messrs. Conrad, Price, Luckel, Burke, and Silliman demanded the previous question.

Demand for previous question sustained.

The question being on the motion by Mr. Sherwin that the vote be reconsidered whereby amendments offered by Mr. O'Day to Assembly Bill No. 46 were adopted.

The roll was called.

Call of the Assembly

Pending the announcement of the vote, Mr. Sherwin moved a call of the Assembly.

The roll was called, and the motion carried by the following vote:

AYES—Allen, Beck, Bennett, Blosser, Boyd, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Crichton, Lester T. Davis, M. Philip Davis, Field, Gannon, Grant, Grunsky, Hahn, Heisinger, Hinckley, Hinton, James, Johnson, Knight, Loomis, Lowrey, Robertson, Sheridan, Sherwin, Silliman, Stanley, Stewart, Thompson, Thorp, Thurman, and Weber—40.

NOES—Anderson, Berry, Brady, Conrad, Cooke, Dickey, Ralph C. Dills, Dolwig, Doyle, Dunn, Fletcher, Gaffney, Geddes, Hawkins, Hollibaugh, Kirkwood, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Thomas, Waters, and Wollenberg—28.

Time, 4:20 p.m.

The Speaker directed the Sergeant-at-Arms to close the doors, and to bring in the following absent members:

Crowley, Clayton A. Dills, Doyle, Erwin, Evans, Huyck, Kilpatrick, Rosenthal, and Stephenson—9.

PROCEEDINGS UNDER CALL OF THE ASSEMBLY BY UNANIMOUS CONSENT

NOTICE OF MOTION TO RECONSIDER LOWREY AMENDMENT TO ASSEMBLY BILL NO. 46

Mr. Heisinger gave notice that on the next legislative day he would move to reconsider the vote whereby the amendment offered by Mr. Lowrey to Assembly Bill No. 46 was this day adopted.

Ruling by Speaker

Speaker Collins ruled the motion out of order because the Assembly is under a call of the House.

MEMBERS EXCUSED

At 4 21 p.m., Mr. McMillan asked for, and was granted, unanimous consent that the members of the Committee on Conservation, Planning, and Public Works be excused, at this time, for the purpose of holding a meeting.

At 4.22 p.m., Mr. Ralph C. Dills asked for, and was granted, unanimous consent that the members of the Committee on Manufacturing, Oil, and Mining Industry be excused, at this time, for the purpose of holding a meeting.

UNANIMOUS CONSENT GRANTED THAT PROPOSED AMENDMENTS TO BE OFFERED BY MR. FIELD TO ASSEMBLY BILL NO. 46 WILL BE CONSIDERED, IN ORDER, TOMORROW

The Speaker, by unanimous consent, announced that, regardless of the action taken on the O'Day amendments to Assembly Bill No. 46, Mr. Field will be permitted to present his amendments to Assembly Bill No. 46, in proper order.

REQUEST FOR UNANIMOUS CONSENT FOR TEMPORARY SUSPENSION OF ASSEMBLY RULE NO. 85

Mr. Lowrey asked for unanimous consent that Assembly Rule No. 85 be temporarily suspended for the purpose of placing a call of the Assembly on any matter on file.

Messrs. Wollenberg, Dickey, and Kirkwood withheld unanimous consent.

MEMBERS EXCUSED

At 4.29 p.m., Mrs. Niehouse asked for, and was granted, unanimous consent that the members of the Committee on Social Welfare be excused at this time, for the purpose of holding a meeting.

Mrs. Niehouse withdrew her request.

At 4.30 p.m., Mr. Debs asked for, and was granted, unanimous consent that the members of the Committee on Public Health be excused, at this time, for the purpose of holding a meeting.

At 4.31 p m., Mr. Robertson asked for, and was granted, unanimous consent that the members of the Committee on Elections and Reapportionment be excused, at this time, for the purpose of holding a meeting.

At 4.32 p.m., Mr. Brown asked for, and was granted, unanimous consent that the members of the Committee on Judiciary be excused, at this time, for the purpose of holding a meeting, in the post office.

FURTHER PROCEEDINGS UNDER CALL OF THE ASSEMBLY DISPENSED WITH ON RECONSIDERATION OF MR. O'DAY'S AMENDMENTS TO ASSEMBLY BILL NO. 46

At 4.50 p.m., on motion of Mr. Sherwin, further proceedings under the call of the Assembly were dispensed with.

The names of the absentees were called, and reconsideration of the vote whereby Mr. O'Day's amendments to Assembly Bill No. 46 were adopted refused by the following vote:

AYES—Beck, Blosser, Boyd, Burke, Butters, Carey, Clarke, Collier, Conrad, Cramer, Lester T. Davis, M. Philip Davis, Field, Gannon, Grant, Grunsky, Hahn,

Heisinger, Hinckley, Hinton James, Johnson, Kilpatrick, Knight, Loomis, Lowrey, Robertson, Rosenthal, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thompson, Thorp, Thurman, and Weber—37.

NOES—Allen, Anderson, Bennett, Berry, Brady, Brown, Caldecott, George D. Collins, Cooke, Crichton, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Dunn, Elliott, Fletcher, Gaffney, Geddes, Hawkins, Hollibaugh, Kirkwood, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Sheridan, Thomas, Waters, and Wollenberg—36

NOTICE OF MOTION TO RECONSIDER AMENDMENT OFFERED BY MR. LOWREY TO ASSEMBLY BILL NO. 46

Mr. Lowrey gave notice that on the next legislative day he would move to reconsider the vote whereby his amendment to Assembly Bill No. 46 was this day refused adoption.

Motion That Notice of Motion to Reconsider the Amendment Offered by Mr. Lowrey to Assembly Bill No. 46, Be Taken Up, at This Time

Mr. Silliman moved that Mr. Lowrey's notice of motion to reconsider the vote whereby the amendment he offered to Assembly Bill No. 46 was this day refused adoption be taken up, at this time.

Mr. Kirkwood seconded the motion.

Notice of Motion to Reconsider Mr. Lowrey's Amendment to Assembly Bill No. 46 Waived

Mr. Lowrey waived his notice of motion to reconsider the vote whereby his amendment to Assembly Bill No. 46 was this day refused adoption.

Notice of Motion to Reconsider Amendment Offered by Mr. Lowrey to Assembly Bill No. 46

Mr. Heisinger gave notice that on the next legislative day he would move to reconsider the vote whereby the amendment offered by Mr. Lowrey to Assembly Bill No. 46 was this day refused adoption.

Ruling by Speaker

Speaker Collins ruled the motion out of order.

Motion to Recess

Mr. Lowrey moved that the Assembly do now recess until the hour of 2 p.m., tomorrow, Thursday, June 12, 1947.

Mr. M. Philip Davis seconded the motion.

Substitute Motion

Mr. Kirkwood moved that the Assembly do now recess for five minutes.

Mr. Silliman seconded the motion.

Motion to Table

Mr. Lowrey moved that the motion by Mr. Kirkwood be laid on the table.

Mr. Lester T. Davis seconded the motion.

Ruling by Speaker

Speaker Collins ruled the second by Mr. Lester T. Davis out of order because it was given after he had put Mr. Kirkwood's motion.

The question being on Mr. Kirkwood's motion that the Assembly do now recess for five minutes.

Motion carried.

RECESS

At 4.55 p.m., the Assembly recessed until 5 p.m.

REASSEMBLED

At 5 p.m., the Assembly reconvened.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ALL MATTERS ON FILE CONTINUED

By unanimous consent all matters on file were continued until the next legislative day.

ADJOURNMENT

At 5.03 p.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 7.30 p.m., Thursday, June 12, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

SEVENTY-SIXTH LEGISLATIVE DAY
ONE HUNDRED FIFTY-FIRST CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Thursday, June 12, 1947

The Assembly met at 7.30 p.m.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called.

Absence of Quorum Suggested

Mr. Hinckley suggested the absence of a quorum.

Call of the Assembly

Mr. Hinckley moved a call of the Assembly.

Motion carried. Time, 7.32 p.m.

The Speaker directed the Sergeant-at-Arms to close the doors, and to bring in the following absent members:

Allen, Anderson, Beck, Bennett, Berry, Boyd, Brady, Brown, Caldecott, Carey, Collier, George D. Collins, Conrad, Cooke, Cramer, Crowley, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Dunn, Elliott, Evans, Field, Gaffney, Gannon, Geddes, Grunsky, Hawkins, Heisinger, Hinton, Huyck, James, Johnson, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Stanley, Stephenson, Stewart, Thomas, Thorp, Thurman, Waters, Weber, and Wollenberg—62.

Further Proceedings Under Call of the Assembly Dispensed With on Quorum Call

At 7.41 p.m., on motion of Mr. Clarke, further proceedings under the call of the Assembly were dispensed with.

The roll was called, and the following answered to their names:

Anderson, Beck, Blosser, Boyd, Brown, Burke, Burns, Butters, Caldecott, Clarke, Conrad, Cooke, Crichton, Lester T. Davis, M. Philip Davis, Dickey, Doyle, Dunn, Elliott, Erwin, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Loomis, Luckel, Lyons, Maloney, Price, Sherwin, Silliman, Stanley, Stephenson, Thomas, Thompson, Thorp, Thurman, Waters, Weber, and Mr. Speaker—52.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

O Eternal Father, I offer Thee this prayer in union with the sacrifice of Thy divine Son to acknowledge Thy supreme dominion over us and our absolute dependence upon Thee; to honor Thee as our first beginning and our last end; to thank Thee for Thy countless benefits; and to appease Thy justice provoked to anger by so many sins; and to offer Thee worthy satisfaction for the same; and finally to implore grace for myself and for all here present that with a renewed and generous heart we may love and serve Thee faithfully—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Price, further reading of the Journal of the previous legislative day was dispensed with.

REPORTS OF STANDING COMMITTEES

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, June 12, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:

Assembly Bill No 46

And reports the same correctly engrossed.

WEBER, Chairman

Above reported bill ordered to third reading.

CONSIDERATION OF DAILY FILE

THIRD READING OF ASSEMBLY BILLS (RESUMED)

Assembly Bill No. 46—An act to provide for a System of Public Streets and Highways in this State and for the financial support thereof, including the levying of taxes therefor, and relating to vehicles thereon and for that purpose to repeal Article 2 of Chapter 2 of Division 1 and Sections 180, 188, 190, 191, 203, 232, 1021, 1022, 1023, 1024, 1621, 1625.5, 1626, 1626.5, 1627, and 1628 of, to amend Sections 143, 181, 183, 189, 193, 194, 195, 300, 458, 461, 467, 823, 824, 1028, 1029, and 1622 of, and to add Division 3, and Article 2.5 of Chapter 3 of Division 1, and Sections 29, 74, 143 1, 143.2, 188, 188.4, 521, 522, 523, 524, 525, and 526 to, the Streets and Highways Code, to repeal Sections 276.5, 779, 780, and 782, and to amend Sections 276, 277, 370, 372, 381, and 781 of, and to add Section 372.1 to the Vehicle Code, and to repeal Part 4, comprising Sections 9601 to 10501, inclusive, of Division 2 and Sections 8353, 8353.5, 8354, 8355, 8356, 8357, and 8358 of, to amend Sections 7351, 8352, 8651, 9302, 9303, and 9304 of, and to add Section 8353 to, the Revenue and Taxation Code, and to amend Section 7 of Chapter 788 of the Statutes of 1937.

Bill read third time.

Demand for Previous Question

Messrs. Doyle, Luckel, Butters, Conrad, and Cooke demanded the previous question.

Demand for previous question sustained.

The question being on the passage of Assembly Bill No. 46.

The roll was called, and the bill passed by the following vote:

AYES—Anderson, Beck, Blosser, Boyd, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Conrad, Cooke, Crichton, M. Philip Davis, Dickey, Ralph C Dills, Doyle, Dunn, Elliott, Erwin, Fletcher, Gaffney, Gannon, Geddes, Grunsky,

Hahn, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Loomis, Lyons, Maloney, Price, Sheridan, Sherwin, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, and Mr. Speaker—51.

NOES—Lester T. Davis, Luckel, and Silliman—3

Bill ordered transmitted to the Senate.

Request for Unanimous Consent That Name Be Added to Roll Call on Assembly Bill No. 46

Mr. Stewart asked for, and was granted, unanimous consent that his name be added to the roll call on Assembly Bill No. 46, and that he be recorded as voting "Aye", because the voting machine failed to record his vote.

Explanation of Vote Upon Assembly Bill No. 46

I will vote for this bill notwithstanding it is far short of a just bill relative to pay as you use the highway.

The Director of Motor Vehicles states that for the Fiscal Year of July 1, 1945, to June 30, 1946, as follows.

The following reflects the costs, etc., for the Ninety-seventh Fiscal Year (July 1, 1945, to June 30, 1946). This is the most recent year for which the figures are complete. During this period the department registered 3,272,038 vehicles of all types. The cost of operation was $9,223,456 20, as follows:

Division	*Cost*	*Cost per vehicle**
Administration	$645,575.12	$0.1973
Registration	2,583,635 59	.7896
Enforcement	4,093,472 07	1 2510
Drivers' Licenses	1,011,174.17	.3090
Land and Buildings	237,325 59	.0725
Employees' Retirement	652,273 66	1994
Total	$9,223,456 20	$2 8188

* Based on 3,272,038 vehicles

This report shows that the $3 registration did pay during that year for all six departments and in addition over a half million dollars additional.

Therefore, this fee should not be raised.

S. L. HEISINGER

REPORTS OF STANDING COMMITTEES

Committee on Rules

ASSEMBLY CHAMBER, SACRAMENTO, June 12, 1947

MR. SPEAKER: Your Committee on Rules, to which was referred

House Resolution No. 54

Has had the same under consideration, and reports the same back with the recommendation: Be adopted.

DICKEY, Chairman

CONSIDERATION OF HOUSE RESOLUTION NO. 54 BY UNANIMOUS CONSENT

House Resolution No. 54

Relative to authorizing payment of transcript of testimony before Committee on Revenue and Taxation

Resolved, That the Controller be and he is hereby authorized to draw his warrants on the Contingent Fund of the Assembly in favor of the person listed below and for the amount of money set opposite his respective name, and as itemized below, and the State Treasurer is hereby authorized and directed to pay the same:

Harold Krabbenhoft (transcribing 564 folios @ 20¢)..... $142 80

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Anderson, Beck, Blosser, Boyd, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Conrad, Cooke, Crichton, M. Philip Davis, Dickey, Ralph C. Dills, Doyle,

Dunn, Elliott, Erwin, Fletcher, Gaffney, Gannon, Geddes, Grunsky, Hahn, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Loomis, Lyons, Maloney, Price, Sheridan, Sherwin, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, and Mr. Speaker—51.

NOES—Lester T. Davis, Luckel, and Silliman—3.

MOTION TO APPROVE JOURNALS

Upon motion of Mr. Dickey, the Journals for Monday, June 2, 1947; Wednesday, June 4, 1947, and Friday, June 6, 1947, were approved, as corrected by the Minute Clerk.

ALL MATTERS ON FILE CONTINUED

By unanimous consent, all matters on file were continued until the next legislative day.

ADJOURNMENT

At 7.45 p.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 12 m., Monday, June 16, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE

FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

SEVENTY-SEVENTH LEGISLATIVE DAY

ONE HUNDRED FIFTY-FIFTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO

Monday, June 16, 1947

The Assembly met at 12 m.

Hon. Thomas A. Maloney, Speaker pro Tempore of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—77.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

Anticipate, O Lord, we beseech Thee, our actions by Thy inspirations and further them by Thy constant assistance; that every word and work of ours may always begin with Thee, and through Thee be happily ended; for we realize the need of Thy divine wisdom to supplement our faulty human wisdom, and the need of Thy divine omnipotence to support our human weakness—AMEN.

PLEDGE OF ALLEGIANCE TO THE FLAG

Upon request of the Speaker, the Assembly gave the pledge of allegiance to the Flag.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Gaffney, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. Lester T. Davis, on motion of Mr. Dickey.

The following member was granted leave of absence for the day, and desired to waive his per diem:

Mr. Sherwin, by unanimous consent.

MEMBERS EXCUSED

At 12.05 p.m., Mr. Clarke asked for, and was granted, unanimous consent that the members of the Committee on Agriculture be excused, at this time, for the purpose of holding a meeting.

RESOLUTIONS

The following resolution was offered:

By Mr. Dickey:

House Resolution No. 55

Resolved, That the Controller be and he is hereby authorized to draw his warrant on the Contingent Fund of the Assembly in favor of the persons or firms listed below and for the amounts of money set opposite their respective names, and as itemized below, and the State Treasurer is hereby authorized and directed to pay the same:

Bureau of Purchases (supplies)	$117 05
Department of Finance (refinish table)	8 88
Pacific Telephone & Telegraph Company (tolls)	208 55
Pacific Telephone & Telegraph Company (tolls)	4 45
Pacific Telephone & Telegraph Company (tolls)	2 40

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 55, at this time, without reference to committee or file.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Anderson, Beck, Bennett, Blosser, Brown, Burke, Burns, Caldecott, Carey, Collier, George D. Collins, Conrad, Crichton, Crowley, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hawkins, Heisinger, Huyck, Johnson, Kilpatrick, Kirkwood, Loomis, Luckel, Lyons, Maloney, McMillan, Miller, O'Day, Rosenthal, Stewart, Thomas, Thompson, Thurman, Waters, Weber, and Wollenberg—53.

NOES—None.

REPORTS OF STANDING COMMITTEES

Committee on Rules

ASSEMBLY CHAMBER, SACRAMENTO, June 13, 1947

MR SPEAKER: Your Committee on Rules, to which was referred:

Assembly Joint Resolution No. 7

Has had the same under consideration, and reports the same back with the recommendation: Be adopted.

DICKEY, Chairman

Above reported resolution ordered engrossed.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, June 16, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate on this day adopted the report of the Committee on Conference concerning:

Senate Bill No. 3—An act to amend Sections 102, 108, and 128 of, to add Division 2A, comprising Sections 139 to 139.61, inclusive, to, and to repeal Sections 111, 113, 116, 117, 119, 120, 121, 122, 123, 124, 124.1, 125, 126, 135, 135.5, 135.8, 484, 486, and 489 of, the Vehicle Code, providing for the reorganization of the California Highway Patrol, abolishing the Division of Enforcement of the Department of Motor Vehicles, establishing a Department of Highway Patrol and prescribing its powers, duties, purposes, and functions, providing for the transfer of records and property; and to make available money for the support of said department.

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

ALL MATTERS ON FILE CONTINUED

By unanimous consent, all matters on file were continued until the next legislative day.

ADJOURNMENT

At 12.10 p.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11.30 a.m., Tuesday, June 17, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

SEVENTY-EIGHTH LEGISLATIVE DAY
ONE HUNDRED FIFTY-SIXTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Tuesday, June 17, 1947

The Assembly met at 11.30 a.m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—79.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

Come, Holy Spirit, and send Thy light from heaven. Come Father of the Poor, Giver of Gifts, Light of Hearts. Thou art the best consoler, the sweet refreshment of the soul. Give us rest in labor, shelter from the heat, comfort in adversity, and fill the inmost recesses of our hearts with Thy most pure and blessed light—AMEN.

REQUEST FOR UNANIMOUS CONSENT THAT NAMES BE NOTED ON ROLL CALL

Mr. Dickey asked for, and was granted, unanimous consent that, because several members are attending to legislative business in the Senate, the names of those answering to the roll call in the General Session be placed upon the roll call for the First Extraordinary Session.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Bennett, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. James, on motion of Mr. Loomis.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, June 17, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate on this day passed.

Senate Bill No. 38
Senate Bill No. 39

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

FIRST READING AND REFERENCE OF SENATE BILLS

The following bills were read the first time:

Senate Bill No. 38—An act making an appropriation for support of the Department of Motor Vehicles.

Referred to Committee on Ways and Means.

Senate Bill No. 39—An act making an appropriation for support of the California Highway Patrol.

Referred to Committee on Ways and Means.

INTRODUCTION, FIRST READING, AND REFERENCE OF ASSEMBLY BILLS

The following bill was introduced, and read the first time:

Assembly Bill No. 50: By Mr. Waters—An act to amend Sections 381 and 383 of the Vehicle Code, relating to drivers' licenses and duplicate fees and making an appropriation.

Referred to Committee on Transportation and Commerce.

REPORT OF COMMITTEE ON CONFERENCE

The following report of Committee on Conference was received, and read:

ASSEMBLY CHAMBER, SACRAMENTO, June 16, 1947

MR. SPEAKER: The Committee on Conference concerning:

Senate Bill No. 3—An act to amend Sections 102, 108, and 128 of, to add Division 2A, comprising Sections 130 to 13961, inclusive, to, and to repeal Sections 111, 113, 116, 117, 119, 120, 121, 122, 123, 124, 124.2, 125, 126, 135, 135.5, 135.8, 486, and 489 of, the Vehicle Code, providing for the reorganization of the California Highway Patrol, abolishing the Division of Enforcement of the Department of Motor Vehicles, establishing a Department of Highway Patrol and Safety and prescribing its powers, duties, purposes, and functions, providing for the transfer of records and property; and to make available money for the support of said department;

Consisting of the undersigned members, has met, and reports that it has agreed to recommend the following:

That the amendments of the Assembly be concurred in, and that the bill, as amended on May 26, 1947, be further amended as follows:

Amendment No. 1

In line 1 of the title of the printed bill, as amended in the Assembly on May 26, 1947, strike out "and 128", and insert ", 128 and 484".

Amendment No. 2

In line 4 of the title of said bill, strike out "484,".

Amendment No. 3

On page 3, line 35, of said bill, insert

"139.14 Administrative Officer of the California Highway Patrol. There shall be a Chief Administrative Officer for the department to serve under the supervision of the commissioner. He shall be appointed by the commissioner subject to the approval of the Governor, pursuant to the provisions of Article XXIV of the State Constitution. He shall execute and deliver, as provided by law, an official bond in an amount to be determined by the Director of Finance.

139.145 Duties of Chief Administrative Officer of the California Highway Patrol. The Chief Administrative Officer shall carry out and execute such duties with respect to the administrative affairs of the California Highway Patrol as may be specified by the commissioner."

Amendment No. 4

On page 3, line 52, of said bill, insert "The chief shall carry out and execute such duties with respect to traffic law enforcement as may be specified by the commissioner."

Amendment No. 5

On page 4 of said bill, strike out lines 2 and 3.

Amendment No. 6

On page 6, line 28, of said bill, strike out "of the department".

Amendment No. 7

On page 6, lines 38 and 39, of said bill, strike out "of the department".

Amendment No. 8

On page 7, line 31, of said bill, after "of", strike out the period.

Amendment No. 9

On page 7, line 33, of said bill, strike out "of the department".

Amendment No. 10

On page 8 of said bill, strike out lines 27 to 35, inclusive.

KEATING
PARKMAN
KRAFT
Senate Committee on Conference

WATERS
EVANS
Assembly Committee on Conference

The roll was called.

Call of the Assembly

Pending the announcement of the vote, Mr. Waters moved a call of the Assembly.

Motion carried. Time, 11:55 a.m.

The Speaker directed the Sergeant-at-Arms to close the doors, and to bring in the following absent members:

Beck, Carey, Collier, Crichton, M. Philip Davis, Doyle, Dunn, Evans, Fletcher, Grant, Grunsky, James, Kirkwood, Lyons, Maloney, Robertson, Rosenthal, Sherwin, Silliman, Thompson, Weber and Wollenberg—22

PROCEEDINGS UNDER CALL OF THE ASSEMBLY BY UNANIMOUS CONSENT

MEMBERS EXCUSED

At 11:56 a.m., Mr. Thurman asked for, and was granted, unanimous consent that the members of the Committee on Municipal and County Government be excused, at this time, for the purpose of holding a meeting.

FURTHER PROCEEDINGS UNDER CALL OF THE ASSEMBLY DISPENSED WITH ON CONFERENCE REPORT CONCERNING SENATE BILL NO. 3

At 12:30 p.m., on motion of Mr. Waters, further proceedings under the call of the Assembly were dispensed with.

The names of the absentees were called, and the report of the Committee on Conference concerning Senate Bill No. 3 adopted by the following vote:

AYES—Allen, Bennett, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Clarke, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, Debs, Dicker, Ralph C. Dills, Dolwig, Dunn, Elliott, Erwin, Evans, Field, Geddes, Hahn, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, McCollister, Niehouse, O'Day, Price, Robertson, Sheridan, Sherwin, Silliman, Stanley, Stewart, Thompson, Thorp, Thurman, and Waters—54.

NOES—Anderson, Berry, Carey, George D. Collins, Clayton A. Dills, Gaffney, Gannon, Hawkins, McMillan, Miller, Stephenson, and Thomas—12.

Notice of Motion to Reconsider Conference Report Concerning Senate Bill No. 3

Mr. Thomas gave notice that on the next legislative day he would move to reconsider the vote whereby the report of the Committee on Conference concerning Senate Bill No. 3 was this day adopted.

REPORTS OF STANDING COMMITTEES

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, June 17, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:

Assembly Joint Resolution No. 7

And reports the same correctly engrossed.

WEBER, Chairman

Above reported resolution ordered on file for adoption.

ADJOURNMENT

At 12.32 p.m., on motion of Mr. Waters, the Speaker declared the Assembly adjourned until 10.30 a.m., Wednesday, June 18, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

SEVENTY-NINTH LEGISLATIVE DAY
ONE HUNDRED FIFTY-SEVENTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Wednesday, June 18, 1947

The Assembly met at 10.30 a m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ABSENCE OF QUORUM SUGGESTED

Mr. Thurman suggested the absence of a quorum.
The roll was called.

Call of the Assembly

Mr. Thurman moved a call of the Assembly.

Motion carried. Time, 10.34 a.m.

The Speaker directed the Sergeant-at-Arms to close the doors, and to bring in the following absent members:

Allen, Beck, Bennett, Boyd, Brady, Brown, Burke, Burns, Caldecott, George D. Collins, Cramer, Crichton, Crowley, M. Philip Davis, Dickey, Clayton A Dills, Dolwig, Elliott, Evans, Field, Gannon, Grant, Grunsky, Hahn, Hinckley, Huyck, James, Johnson, Kirkwood, Lowrey, Maloney, Miller, O'Day, Robertson, Rosenthal, Sheridan, Sherwin, Sillman, Weber, and Wollenberg—40.

Further Proceedings Under Call of the Assembly Dispensed With on Quorum Call

At 10.40 a.m., on motion of Mr. Thurman, further proceedings under the call of the Assembly were dispensed with.

The roll was called, and the following answered to their names:

Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin,

Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, and Mr. Speaker—74.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

Let us pray that we may be made worthy of the promises of Christ.

Grant us, Thy servants, we beseech Thee, O Lord, to enjoy continual health of soul and body; and by the glorious intercession of all the saints may we be delivered from present sorrow and be brought to eternal joys, through Christ Our Lord—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Burke, further reading of the Journal of the previous legislative day was dispensed with.

CONSIDERATION OF DAILY FILE

THIRD READING OF ASSEMBLY BILLS

Assembly Joint Resolution No. 7—Relative to memorializing Congress to repeal the one and one-half cent federal gasoline tax.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Anderson, Bennett, Berry, Blosser, Burke, Butters, Caldecott, Carey, Clarke, Collier, Conrad, Cooke, Cramer, Crichton, Lester T. Davis, Dickey, Ralph C. Dills, Doyle, Dunn, Elliott, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hollibaugh, Huyck, James, Johnson, Knight, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Nicholson, Robertson, Rosenthal, Stephenson, Stewart, Thompson, Thorp, Thurman, and Waters—51.

NOES—Boyd, Debs, Erwin, Hinckley, Hinton, Loomis, Price, Sherwin, and Stanley—9.

Resolution ordered transmitted to the Senate.

MOTION TO APPROVE JOURNALS

Upon motion of Mr. Dickey, the Journals for Monday, June 9, 1947; Tuesday, June 10, 1947; Wednesday, June 11, 1947; and Thursday, June 12, 1947, were approved, as corrected, by the Minute Clerk.

REPORTS OF STANDING COMMITTEES

Committee on Transportation and Commerce

ASSEMBLY CHAMBER, SACRAMENTO, June 18, 1947

MR. SPEAKER: Your Committee on Transportation and Commerce, to which was referred:

Assembly Bill No. 50

Has had the same under consideration, and reports the same back with the recommendation: Do pass, and be re-referred to Committee on Ways and Means.

BURNS, Chairman

Above reported bill re-referred to Committee on Ways and Means.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, June 18, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate on this day concurred in Assembly amendments to:

Senate Bill No. 15

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

ADJOURNMENT

At 10.50 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11 a.m., Thursday, June 19, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

EIGHTIETH LEGISLATIVE DAY
ONE HUNDRED FIFTY-EIGHTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Thursday, June 19, 1947

The Assembly met at 11 a.m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—78.

Quorum present.

PRAYER

Upon invitation of the Speaker, the following prayer was offered by the Hon. Walter R. Hinton, Member of the Assembly of the Forty-second Assembly District:

Our Father we come before Thee in the closing days of this session of the Legislature, looking forward to the tender ties of home.

We ask Thy blessing upon each family represented here. We pray Thy blessing upon this Assembly. Grant that through our efforts we may in some way make this State, this Nation, and this World a better place in which to live.

In Jesus' name we pray—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Thorp, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. Cramer, by unanimous consent.

ALL MATTERS ON FILE CONTINUED

By unanimous consent, all matters on file were continued until the next legislative day.

RECESS

At 11.10 a.m., on motion of Mr. Field, the Assembly recessed until 8 p.m.

REASSEMBLED

At 8 p.m., the Assembly reconvened.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, June 19, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate on this day passed:

Senate Bill No. 40

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

FIRST READING AND REFERENCE OF SENATE BILLS

The following bill was read the first time:

Senate Bill No. 40—An act to amend Sections 381 and 383 of the Vehicle Code, relating to drivers licenses and duplicate fees and making an appropriation.

Referred to Committee on Ways and Means.

REPORTS OF STANDING COMMITTEES

Committee on Ways and Means

ASSEMBLY CHAMBER, SACRAMENTO, June 19, 1947

MR. SPEAKER: Your Committee on Ways and Means, to which were referred:

Senate Bill No. 38
Senate Bill No. 39

Has had the same under consideration, and reports the same back with amendments with the recommendation: Amend, and do pass, as amended.

WOLLENBERG, Chairman

Above reported bills ordered to second reading.

SECOND READING OF SENATE BILLS (BY UNANIMOUS CONSENT)

Senate Bill No. 38—An act making an appropriation for support of the Department of Motor Vehicles.

Bill read second time.

Consideration of Committee Amendments

The following amendment was proposed by the Committee on Ways and Means:

Amendment No. 1

On page 1, lines 2 and 3, of the printed bill, strike out "two hundred eighty-two thousand one hundred ninety-five dollars ($282,195)", and insert "one hundred fifty thousand dollars ($150,000)".

Amendment read, and adopted.

Bill ordered reprinted, and to third reading.

Senate Bill No. 39—An act making an appropriation for support of the California Highway Patrol.

Bill read second time.

Consideration of Committee Amendments

The following amendments were proposed by the Committee on Ways and Means:

Amendment No. 1

In line 1 of the title of the printed bill, after "support", insert "of the department".

Amendment No. 2

On page 1, lines 2 and 3, of said bill, strike out "fifty-four thousand three hundred sixty dollars ($54,360)", and insert "fifty thousand dollars ($50,000)".

Amendment No. 3

On page 1, line 3, of said bill, after "support", insert "of the department".

Amendments read, and adopted.

Bill ordered reprinted, and to third reading.

REPORTS OF STANDING COMMITTEES

Committee on Ways and Means

ASSEMBLY CHAMBER, SACRAMENTO, June 19, 1947

MR. SPEAKER: Your Committee on Ways and Means, to which was referred:

Assembly Bill No. 50

Has had the same under consideration, and reports the same back with amendments with the recommendation: Amend, and do pass, as amended.

WOLLENBERG, Chairman

Above reported bill ordered to second reading.

SECOND READING OF ASSEMBLY BILLS (BY UNANIMOUS CONSENT)

Assembly Bill No. 50—An act to amend Sections 381 and 383 of the Vehicle Code, relating to drivers licenses and duplicate fees and making an appropriation.

Bill read second time.

Consideration of Committee Amendments

The following amendment was proposed by the Committee on Ways and Means:

Amendment No. 1

On page 2, line 16, of the printed bill, strike out "to pay the cost arising"; strike out line 17, and insert "in augmentation of Item 225 of the Budget Act of 1947 to carry out the provisions of this act".

Amendment read, and adopted.

Bill ordered reprinted, and engrossed.

ADJOURNMENT

At 8.10 p.m., on motion of Mr. Ralph C. Dills, the Speaker declared the Assembly adjourned until 10.30 a.m., Friday, June 20, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

EIGHTY-FIRST LEGISLATIVE DAY
ONE HUNDRED FIFTY-NINTH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Friday, June 20, 1947

The Assembly met at 10.30 a.m.

Hon. Sam L. Collins, Speaker of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Allen, Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Nicholse, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—78.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

We beseech Thee, O Almighty and Most Merciful God, in Thine unceasing loving kindness to watch over our Country; safeguard us from all evil, inspire us with Thy faith and promises that we may be able to give ourselves with fervour to the doing of good works, to the glory of Thy name and to the profit of our eternal salvation, through Christ Our Lord—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Erwin, further reading of the Journal of the previous legislative day was dispensed with.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, June 19, 1947

MR SPEAKER: I am directed to inform your honorable body that the Senate amended, and on this day passed, as amended:

Assembly Bill No. 46

And respectfully requests your honorable body to concur in said amendments.

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

Above bill ordered to unfinished business file.

CONSIDERATION OF DAILY FILE

THIRD READING OF ASSEMBLY BILLS

Assembly Bill No. 24—An act to add Section 1239.5 to the Code of Civil Procedure, relating to eminent domain and the use of property acquired pursuant to eminent domain proceedings by the State and public agencies.

Bill read third time.

Motion to Amend

Mr. Weber moved the adoption of the following amendment:

Amendment No. 1

On page 1, line 9, of the printed bill, as amended in the Assembly on March 28, 1947, strike out "In any"; and strike out lines 10 to 15, inclusive.

Amendment read, and adopted.

Bill ordered reprinted, and re-engrossed.

Motion to Place Rush Order on Printing of Assembly Bill No. 24

Mr. Weber moved that a rush order be placed on the printing of Assembly Bill No. 24.

Motion carried.

UNFINISHED BUSINESS

NOTICE OF MOTION TO RECONSIDER CONFERENCE REPORT CONCERNING SENATE BILL NO. 3 WAIVED

Mr. Thomas waived his notice of motion to reconsider the vote whereby the report of the Committee on Conference concerning Senate Bill No. 3 was adopted.

MOTION TO SET SPECIAL ORDER

Messrs. Burns and Dickey moved that consideration of Senate amendments to Assembly Bill No. 46 be made a special order of business for today, June 20, 1947, at 3 p.m.

Motion carried.

REPORTS OF STANDING COMMITTEES

Committee on Ways and Means

ASSEMBLY CHAMBER, SACRAMENTO, June 19, 1947

MR. SPEAKER: Your Committee on Ways and Means, to which was referred: Senate Bill No. 40

Has had the same under consideration, and reports the same back with the recommendation: Do pass.

WOLLENBERG, Chairman

Above reported bill ordered to second reading.

SECOND READING OF SENATE BILLS (BY UNANIMOUS CONSENT)

Senate Bill No. 40—An act to amend Sections 381 and 383 of the Vehicle Code, relating to drivers licenses and duplicate fees and making an appropriation.

Bill read second time, and ordered to third reading.

ALL MATTERS ON FILE CONTINUED

By unanimous consent, all matters on file will be continued until the next legislative day.

RECESS

At 10.40 a m, on motion of Mr. Dickey, the Assembly recessed until 3 p.m

REASSEMBLED

At 3 p m., the Assembly reconvened.

Hon. Thomas A. Maloney, Speaker pro Tempore of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

MEMBERS EXCUSED

At 3.01 p.m., Mr. Dickey asked for, and was granted, unanimous consent that Messrs. Thorp and Knight be granted leaves of absence for the balance of the legislative day, because of illness.

CONSIDERATION OF SPECIAL ORDER

The hour having arrived, consideration of Senate amendments to Assembly Bill No. 46 was taken up.

Assembly Bill No. 46—An act to provide for a System of Public Streets and Highways in this State and for the financial support thereof, including the levying of taxes therefor, and for that purpose to repeal Sections 188, 203, 1021, 1022, 1023, 1024, 1621, 1625 5, 1626, 1626 5, 1627, and 1628 of, to amend Sections 143, 194, 195, 458, 461, 1028, 1029, and 1622 of, and to add Division 3, and Article 2 5 of Chapter 3 of Division 1, and Sections 29, 74, 143 1, 143.2, 188, 188 4, 521, 522, 523, 524, 525, 526, 527, 528, 529, and 600 to, the Streets and Highways Code, to repeal Sections 276 5, 779, 780, and 782, and to amend Sections 277, 370, 372, 381, and 781 of, the Vehicle Code, and to repeal Sections 8353, 8353.5, 8354, 8355, 8356, 8357, and 8358 of, to amend Sections 7351, 8352, 8651, 9302, 9303, 9304, and 10452 of, and to add Sections 8353 and 10456 to, the Revenue and Taxation Code, and to amend Section 7 of Chapter 788 of the Statutes of 1937.

The question being: Shall the Assembly concur in the following Senate amendments to Assembly Bill No. 46?

Amendment No. 1

In the title of the printed bill, as amended in the Assembly on June 11, 1947, strike out lines 3 to 8, inclusive, and insert "ing the levying of taxes therefor, and for that purpose to repeal Sections 188, 203, 1021, 1022, 1023, 1024, 1621, 1625 5, 1626, 1626.5, 1627, and 1628 of, to amend Sections 143, 194, 195, 458, 461, 1028, 1029, and 1622".

Amendment No. 2

In line 11 of the title of said bill, strike out "and 526", and insert "526, 527, 528, 529, and 600".

Amendment No. 3

In line 13 of the title of said bill, strike out "276,".

Amendment No. 4

Strike out line 15 of the title of said bill; and in line 16 of the title, strike out "Division 2 and".

Amendment No. 5

Strike out line 18 of the title of said bill, and insert "9302, 9303, 9304, and 10452 of, and to add Sections 8353 and 10456 to, the".

Amendment No. 6

On page 2, line 20, of said bill, strike out "October 1, 1947", and insert "January 1, 1948".

Amendment No. 7

On page 2, line 28, of said bill, strike out "department", and insert "board of supervisors".

Amendment No. 8

On page 2, line 33, of said bill, strike out "October 1, 1947", and insert "January 1, 1948".

Amendment No. 9

On page 12 of said bill, between lines 32 and 33, insert

"SEC. 2.8C. Section 600 is added to the Streets and Highways Code, to read:

600. The commission shall not allocate and the department shall not expend any money on any route or portion of a route in any county, which route or portion of a route was added to the State Highway System by the act adding this section until otherwise directed by law or until the commission determines by resolution that all deficiencies on existing state highways in said county, as said deficiencies are listed in the report printed in the Senate Journal of this session of January 30, 1947, have been corrected. After making such finding the commission may allocate and the department may expend on all state highways in said county, including those added by the act adding this section, not to exceed the total sum required to be allocated for construction in said county under the provisions of Section 188.4. Notwithstanding the provisions of Section 81, no traversable highway in any county on any route or portion of a route added by the act adding this section shall be taken over for maintenance unless and until the department and the commission are otherwise directed by law or the commission makes said finding that said critical deficiencies in said county have been corrected.

The limitation imposed by this section upon the allocation and expenditure of any money on such added routes or portions thereof shall not be applicable: (1) as to any money available for expenditure within a county pursuant to subdivisions (b) and (c) of Section 188.4 where all such deficiencies within such county have been corrected; or (2) as to any money available for expenditure within a County Group where all such deficiencies within such County Group have been corrected; or (3) as to any money available to the department for construction purposes in excess of seventy-five million dollars ($75,000,000) annually."

Amendment No. 10

On page 15 of said bill, strike out lines 20 to 24, inclusive, and insert "as follows: 45 percent in County Group No. 1 and 55 percent in County Group No. 2. Not more than".

Amendment No. 11

On page 15 of said bill, strike out lines 30 to 32, inclusive.

Amendment No. 12

On page 16 of said bill, strike out lines 6 to 28, inclusive, and insert

"Alameda	16 324	Nevada	.943
Alpine	.460	Placer	1 791
Amador	.833	Plumas	.531
Butte	1.245	Sacramento	3.357
Calaveras	.710	San Benito	.532
Colusa	.648	San Francisco	15.604
Contra Costa	4.607	San Joaquin	3.202
Del Norte	.585	San Mateo	3 535
El Dorado	.729	Santa Clara	3 432
Fresno	2 972	Santa Cruz	1.621
Glenn	.582	Shasta	1.987
Humboldt	3.150	Sierra	.255
Kings	.595	Siskiyou	1.777
Lake	.709	Solano	1 946
Lassen	.440	Sonoma	3 073
Madera	1.068	Stanislaus	2 429
Marin	1.918	Sutter	.571
Mariposa	.982	Tehama	1.170
Mendocino	2.722	Trinity	.394
Merced	2 113	Tuolumne	.806
Modoc	.617	Yolo	2.519
Monterey	2 926	Yuba	.782".
Napa	.808		

Amendment No. 13

On page 16 of said bill, strike out lines 35 to 41, inclusive, and insert

"Imperial	1.715	San Bernardino	7.543
Inyo	.376	San Diego	7.185
Kern	5.612	San Luis Obispo	4 716
Los Angeles	43 509	Santa Barbara	6.515
Mono	.310	Tulare	3 047
Orange	9.569	Ventura	4.392".
Riverside	5.511		

Amendment No. 14

Strike out page 17 of said bill; and on page 18, strike out lines 1 to 33, inclusive.

Amendment No. 15

On page 19 of said bill, strike out lines 30 to 36, inclusive, and insert "SEC. 9. Sections 203, 1021, 1022, 1023,".

Amendment No. 16

On page 23, line 13, of said bill, strike out "cents ($0.04)", and insert "and one-half cents ($0.04½)".

Amendment No. 17

On page 23, line 18, of said bill, strike out "four cents ($0.04)", and insert "four and one-half cents ($0 04½)".

Amendment No. 18

On page 23 of said bill, strike out lines 27 and 28.

Amendment No. 19

On page 23, line 36, of said bill, strike out "said code", and insert "the Vehicle Code".

PRINTER'S NOTE—There being no 7-point strikeout type available, the material which should appear in strikeout type in the following amendment is indicated by being enclosed within brackets.

Amendment No. 20

On page 24 of said bill, strike out lines 13 to 19, inclusive, and insert

"SEC. 36. Section 10452 of the Revenue and Taxation Code is amended to read:

10452. All money in the Motor Vehicle Transportation Tax Fund, unless otherwise appropriated, shall, upon order of the Controller, be drawn therefrom for the purpose of making refunds under this part or be transferred to the [General] *Highway Users Tax* Fund [of the State].

SEC. 36.5 Section 10456 is added to the Revenue and Taxation Code, to read:

10456. The Controller shall make transfers to the Highway Users Tax Fund at the same time as transfers to said fund of moneys received under the Motor Vehicle Fuel License Tax Law are made."

Amendment No. 21

On page 24 of said bill, strike out lines 38 to 50, inclusive; and on page 25, strike out lines 1 to 6, inclusive, and insert

"(c) For any motor vehicle having not more than two axles and designed, used or maintained as described in subdivision (a) hereof, other than an electric vehicle, fees shall be paid for registration according to the following schedule:

	Unladen Weight	Fee
(1)	3,000 lbs. to and including 4,000 lbs.	$10.00
(2)	4,001 lbs. to and including 5,000 lbs.	20.00
(3)	5,001 lbs. to and including 6,000 lbs.	30 00
(4)	6,001 lbs. to and including 7,000 lbs.	40.00
(5)	7,001 lbs. to and including 8,000 lbs.	50 00
(6)	8,001 lbs. to and including 9,000 lbs.	60.00
(7)	9,001 lbs. to and including 10,000 lbs.	70.00
(8)	10,001 lbs. to and including 11,000 lbs.	80 00
(9)	11,001 lbs. to and including 12,000 lbs	90 00
(10)	12,001 lbs. to and including 13,000 lbs.	100.00
(11)	13,001 lbs. to and including 14,000 lbs.	110.00
(12)	14,001 lbs. and over	120.00

(d) For any motor vehicle having three or more axles or for any trailer, semi trailer, pole or pipe dolly, or other dolly designed, used or maintained as described in

subdivision (a) hereof other than an electric vehicle, fees shall be paid for registration according to the following schedule:

	Unladen Weight	Fee
(1)	2,000 lbs. to and including 3,000 lbs.	$8.00
(2)	3,001 lbs. to and including 4,000 lbs.	15.00
(3)	4,001 lbs. to and including 5,000 lbs.	30.00
(4)	5,001 lbs. to and including 6,000 lbs.	45 00
(5)	6,001 lbs. to and including 7,000 lbs.	60.00
(6)	7,001 lbs. to and including 8,000 lbs.	75 00
(7)	8,001 lbs. to and including 9,000 lbs.	90.00
(8)	9,001 lbs. to and including 10,000 lbs.	105.00
(9)	10,001 lbs. to and including 11,000 lbs.	120.00
(10)	11,001 lbs. to and including 12,000 lbs	135.00
(11)	12,001 lbs. to and including 13,000 lbs.	150.00
(12)	13,001 lbs. to and including 14,000 lbs.	165.00
(13)	14,001 lbs. to and including 15,000 lbs.	180 00
(14)	15,001 lbs. and over	200.00".

Amendment No. 22

On page 25, line 38, of said bill, strike out "36, 37, and 37.1", and insert "and 37".

Amendment No. 23

On page 25, line 43, of said bill, strike out "36, 37, and 37.1", and insert "and 37".

Amendment No. 24

On page 26, line 1, of said bill, strike out "October 1, 1947", and insert "January 1, 1948".

Amendment No. 25

On page 26, line 10, of said bill, strike out "October 1, 1947", and insert "January 1, 1948".

Amendment No. 26

On page 26, lines 12 and 13, of said bill, strike out "October 1, 1947", and insert "January 1, 1948".

Amendment No. 27

On page 26, line 15, of said bill, strike out "October 1, 1947", and insert "January 1, 1948".

Amendment No. 28

On page 26 of said bill, strike out lines 16 to 27, inclusive, and insert

"SEC. 41. The State Controller shall determine the amount of money received during the period July 1, 1947, to January 1, 1948, as a result of the increases in tax rates made by this act. The amount of new money so determined by the Controller shall be apportioned by him under the provisions of the law as amended by this act during the month of January, 1948. During said period July 1, 1947, to January 1, 1948, the Controller shall apportion, transfer and distribute moneys received under the tax rates heretofore existing as provided by the law prior to the enactment of this act."

Amendment No. 29

On page 26 of said bill, between lines 33 and 34, insert

"SEC. 41.6. All sections of this act, other than those mentioned in Sections 38, 39, 40, and 41 5, shall become effective and operative on the ninety-first day following adjournment of this session of the Legislature."

Amendment No. 30

On page 26, line 42, of said bill, strike out "Public Roads", and insert "Collier-Burns Highway".

Amendment No. 31

On page 12, line 17, of said bill, strike out the colon; and strike out lines 18 to 20, inclusive, and insert "a point on Webster Street in Alameda to a point on Route 5 in Oakland."

Amendment No. 32

On page 23 of said bill, strike out lines 49 to 51, inclusive; and on page 24, strike out lines 1 to 6, inclusive, and including the balance of said sentence in line 7, and insert "application for an operator's or chauffeur's license, or renewal thereof, there shall be paid to the department a fee of two dollars ($2). The surrender of a valid operator's license shall entitle a qualified person to receive a chauffeur's license upon application for the unexpired period of said operator's license without additional fee or cost."

Amendment No. 33

In line 8 of the title of the printed bill, as amended in the Senate on June 17, 1947, strike out the comma following "3"; and in line 9 of the title, strike out "and Article 2.5 of Chapter 3 of Division 1,".

Amendment No. 34

In line 11 of the title of said bill, following the comma after "to", insert "to add Article 2.5 to Chapter 3 of Division 1 of,".

Amendment No. 35

On page 5, line 22, of said bill, strike out "garaging of vehicles", and insert "residence of the registered owners".

Amendment No. 36

On page 12, line 30, of said bill, strike out "on Webster Street", and insert "in the vicinity of the intersection of Webster Street and Santa Clara Avenue".

Amendment No. 37

On page 12 of said bill, strike out lines 46 to 51, inclusive; and on page 13, strike out lines 1 to 23, inclusive, and insert

"600. The commission and the department, in the allocation and expenditure of moneys from the State Highway Fund, for construction on any route or portion of a route in any county, which route or portion of a route was added to the State Highway System by the act adding this section shall, until the commission makes the finding hereinafter specified, be limited to those moneys which, under the provisions of Section 188.4, are required as a minimum expenditure for such county during each five-year period specified in Section 188.4. This limitation shall apply in respect to expenditures for construction on such added routes or portions of routes in each county in each county group until the commission makes a finding as to any county group that all of the deficiencies listed in the report printed in the Senate Journal of this session of January 30, 1947, in such county group have been corrected."

Amendment No. 38

On page 17 of said bill, strike out lines 28 to 50, inclusive, and insert

"Alameda	20.721	Nevada	.839
Alpine	.410	Placer	1.595
Amador	.741	Plumas	.473
Butte	1.108	Sacramento	2 988
Calaveras	.632	San Benito	.474
Colusa	.577	San Francisco	18 688
Contra Costa	4.100	San Joaquin	2.850
Del Norte	.521	San Mateo	3.147
El Dorado	.649	Santa Clara	3.055
Fresno	2.646	Santa Cruz	1.443
Glenn	.518	Shasta	1.769
Humboldt	2.804	Sierra	.227
Kings	.529	Siskiyou	1.582
Lake	.631	Solano	1.732
Lassen	.391	Sonoma	2.735
Madera	.950	Stanislaus	2.162
Marin	1.707	Sutter	.508
Mariposa	.874	Tehama	1.042
Mendocino	2.423	Trinity	.351
Merced	1.881	Tuolumne	.717
Modoc	.549	Yolo	2.242
Monterey	2.604	Yuba	.696".
Napa	.719		

Amendment No. 39

On page 18 of said bill, strike out lines 14 to 20, inclusive, and insert

"Imperial	1.454	San Bernardino	6 396
Inyo	.319	San Diego	6.092
Kern	4 759	San Luis Obispo	3.998
Los Angeles	52.100	Santa Barbara	5 524
Mono	.262	Tulare	2 584
Orange	8.114	Ventura	3.725"
Riverside	4.673		

Amendment No. 40

On page 28, line 4, of said bill, after "Sections", insert "31, 35,".

Amendment No. 41

On page 28, line 16, of said bill, following "inclusive,", insert "and 36 and 36.5".

Amendment No. 42

In line 6 of the title of the printed bill, as amended in the Senate on June 18, 1947, following "461," insert "467,".

PRINTER'S NOTE—There being no 7-point strikeout type available, the material which should appear in strikeout type in the following amendment is indicated by being enclosed within brackets.

Amendment No. 43

On page 12 of said bill, between lines 28 and 29, insert

"SEC. 2.7A. Section 467 of the Streets and Highways Code is amended to read.

467. Route 167 is from : [Long Beach via Atlantic Boulevard to Route 26 near Monterey Park.]

(a) Long Beach to Route 166

(b) (a) above near Los Angeles River to Route 26 via Atlantic Boulevard."

Amendment No. 44

On page 13, line 34, of said bill, strike out "January 30", and insert "June 19".

Amendment No. 45

In line 16 of the title of the printed bill, as amended in the Senate on June 18, 1947, following "8353", insert ", 9654".

Amendment No. 46

On page 23 of said bill, following line 51, insert

"SEC. 35.5 Section 9654 is added to the Revenue and Taxation Code, to read:

9654. For 1948 and each year thereafter, each operator shall be allowed a credit against the taxes imposed by this part in the amount of 33⅓ percent of all amounts which he has paid during the year under Section 372 of the Vehicle Code as registration fees on motor vehicles used by him in operations the gross receipts from which *are taxable under this part.*"

Amendment No. 47

On page 24, line 4, of the printed bill, as amended in the Senate on June 18, 1947, strike out "unless otherwise appropriated", and insert "except such amounts as are necessary for the administration of this Part, which amounts shall be made available by executive order of the Director of Finance, with the written consent of the Governor"

Amendment No. 48

On page 24 of said bill, between lines 7 and 8, insert

"Sec 36.2. Such amounts as are made available by executive order pursuant to Section 10452 of the Revenue and Taxation Code for the administration of the Motor Vehicle Transportation License Tax Law during the 1947-1948 Fiscal Year shall be deemed to be in abatement of any appropriation made by the Budget Act of 1947 from the General Fund that is available for the administration of said law."

Demand for Previous Question

Messrs. Caldecott, Thurman, Heisinger, Grunsky, and Hahn demanded the previous question.

Demand for previous question sustained.

The question being on the concurrence in Senate amendments to Assembly Bill No. 46.

The roll was called, and the Assembly concurred in Senate amendments to Assembly Bill No. 46 by the following vote:

AYES—Allen, Beck, Bennett, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Crowley, Lester T. Davis, M. Philip Davis, Dickey, Dolwig, Erwin, Fletcher, Gaffney, Grant, Grunsky, Hahn, Heisinger, Hinckley, Hinton, Huyck, James, Johnson, Kirkwood, Knight, Loomis, Lowrey, Maloney, McCollister, Miller, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stewart, Thomas, Thompson, Thurman, Waters, and Wollenberg—53.

NOES—Anderson, Berry, Cramer, Crichton, Debs, Clayton A. Dills, Ralph C. Dills, Doyle, Dunn, Elliott, Evans, Field, Gannon, Geddes, Hawkins, Hollibaugh, Kilpatrick, Luckel, Lyons, McMillan, Niehouse, Stephenson, Weber, and Mr. Speaker—24.

Notice of Motion to Reconsider Assembly Bill No. 46

Mr. Field gave notice that on the next legislative day he would move to reconsider the vote whereby the Assembly concurred in Senate amendments to Assembly Bill No. 46.

Explanation of Vote

At the time Assembly Bill No. 46 came up for vote I was in the Senate on a bill that was in conflict with one already signed by the Governor.

I wish to state that I have backed the highway program from the start, and would have voted "Aye" on the final passage of Assembly Bill No. 46 if I had been present.

EARL W. STANLEY

REPORTS OF STANDING COMMITTEES

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, June 20, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:

Assembly Bill No. 50

And reports the same correctly engrossed.

WEBER, Chairman

Above reported bill ordered to third reading.

ASSEMBLY CHAMBER, SACRAMENTO, June 20, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:

Assembly Bill No. 24

And reports the same correctly re-engrossed.

WEBER, Chairman

Above reported bill ordered to third reading.

Committee on Rules

ASSEMBLY CHAMBER, SACRAMENTO, June 20, 1947

MR. SPEAKER: Your Committee on Rules, to which was referred:

House Resolution No. 31

Has had the same under consideration, and reports the same back with the recommendation. Be adopted.

DICKEY, Chairman

CONSIDERATION OF HOUSE RESOLUTION NO. 31

House Resolution No. 31

Relative to the sale of copies of records by the Department of Motor Vehicles

WHEREAS, The Department of Motor Vehicles, through its director, has for some time been engaged in selling copies of its entire list of names and addresses of registered owners; and

WHEREAS, It is understood that certain buyers of said copies have reaped tremendous profits therefrom; and

WHEREAS, The State should receive for such information an amount more commensurate with its value; now, therefore, be it

Resolved by the Assembly of the State of California, That the Department of Motor Vehicles is requested to require the payment of at least twenty-five thousand dollars ($25,000) for complete lists of names and addresses of registered owners of vehicles; and be it further

Resolved, That the Chief Clerk of the Assembly is directed to transmit a copy of this resolution to the Director of Motor Vehicles

Resolution read, and adopted.

ADJOURNMENT

At 4.30 p.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 11 a.m., Saturday, June 21, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

EIGHTY-SECOND LEGISLATIVE DAY
ONE HUNDRED SIXTIETH CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Saturday, June 21, 1947

The Assembly met at 11 a.m.
Hon. Sam L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Anderson, Beck, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Knight, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—78.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

Let us sing the hymn of the three youths, which the saints sang in the furnace of fire, blessing the Lord.

Let all the works of the Lord bless the Lord, let them praise and exalt Him above all forever.

Let the angels of the Lord bless the Lord. Let the earth bless the Lord, let it praise and exalt Him above all forever.

Let the sons of men bless the Lord, let them praise and exalt Him above all forever, for the Lord is infinitely worthy of praise and is exalted above all forever—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Clarke, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. Thorp, by unanimous consent.

CONSIDERATION OF DAILY FILE
THIRD READING OF ASSEMBLY BILLS

Assembly Bill No. 24—An act to add Section 1239.5 to the Code of Civil Procedure, relating to eminent domain and the use of property acquired pursuant to eminent domain proceedings by the State and public agencies.

Bill read third time.

The roll was called, and the bill passed by the following vote:

AYES—Anderson, Bennett, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Lester T. Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Doyle, Dunn, Elliott, Erwin, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Lyons, McMillan, Miller, Niehouse, Price, Robertson, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Thomas, Thompson, Thurman, Weber, Wollenberg, and Mr. Speaker—64.

NOES—None.

Bill ordered transmitted to the Senate.

THIRD READING OF SENATE BILLS

Senate Bill No. 40—An act to amend Sections 381 and 383 of the Vehicle Code, relating to drivers' licenses and duplicate fees and making an appropriation.

Bill read third time.

The roll was called, and the bill passed by the following vote:

AYES—Anderson, Beck, Berry, Blosser, Boyd, Brady, Brown, Burke, Burns, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Sheridan, Sherwin, Silliman, Stanley, Stephenson, Thomas, Thompson, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—69.

NOES—None.

Bill ordered transmitted to the Senate.

UNFINISHED BUSINESS

NOTICE OF MOTION TO RECONSIDER CONCURRENCE IN SENATE AMENDMENTS TO ASSEMBLY BILL NO. 46 WAIVED

Mr. Field waived his notice of motion to reconsider the vote whereby the Assembly concurred in Senate amendments to Assembly Bill No. 46.

Assembly Bill No. 46 ordered enrolled.

ALL MATTERS ON FILE CONTINUED

By unanimous consent, all matters on file will be continued until the next legislative day.

RESOLUTIONS

The following resolution was offered:

By Mr. Maloney:

House Resolution No. 56

Relative to requesting the Public Utilities Commission to grant increases in trucking rates

WHEREAS, Assembly Bill No. 46 of the 1947 First Extraordinary Session has been passed by both houses of the Legislature and will go to the Governor for approval or rejection; and

WHEREAS, It is deemed extremely likely that the Governor will sign said bill and that it will become law; and

WHEREAS, Under the provisions of said bill the weight fees for commercial vehicles, including the larger trucks, trailers, and semitrailers are materially increased and the fee for chauffeur's licenses and gasoline and diesel taxes are also increased, creating a much heavier tax burden upon the trucking industry than it now sustains; and

WHEREAS, It is the opinion of the Legislature that the Public Utilities Commission should consider the effect of said legislation upon the trucking operators of the State who are under its jurisdiction, with a view toward equalizing burdens and allowing an increase in rates to compensate said operators for the higher taxes and fees imposed by said bill; now, therefore, be it

Resolved by the Assembly of the State of California, That the Public Utilities Commission of the State is hereby urged and requested to make a thorough study of the economic impact of said tax legislation upon the businesses of those trucking operators whose rates are fixed by said commission, and to grant such operators increases in rates sufficient in amount to offset the increased burden on their businesses resulting from such legislation; and be it further

Resolved, That the Chief Clerk of the Assembly be directed to send a copy of this resolution to the Public Utilities Commission.

Request for Unanimous Consent

Mr. Maloney asked for, and was granted, unanimous consent to take up House Resolution No. 56, at this time, without reference to committee or file.

Resolution read, and adopted unanimously.

ADJOURNMENT

At 11.15 a.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 10.30 a.m., Monday, June 23, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

EIGHTY-THIRD LEGISLATIVE DAY
ONE HUNDRED SIXTY-SECOND CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Monday, June 23, 1947

The Assembly met at 10.30 a.m.
Hon. Thomas A. Maloney, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Anderson, Beck, Bennett, Berry, Blosser, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—76.

Quorum present.

PRAYER

The following prayer was offered by the Chaplain, Rev. Raymond Renwald:

The eyes of all hope in Thee, O Lord, and Thou givest them food in due season. Thou openest Thy hand and fillest every living creature with Thy blessing. Therefore, be appeased, O generous God, and grant to Thy faithful people both pardon and peace, so that after being cleansed from their sins, they may serve Thee with a secure mind, through Christ Our Lord—AMEN.

PLEDGE OF ALLEGIANCE TO THE FLAG

Upon request of the Speaker, the Assembly gave the pledge of allegiance to the Flag.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Gaffney, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following member was granted leave of absence for the day, because of illness:

Mr. Knight, on motion of Mr. Stewart.

The following member was granted leave of absence for the day, and desired to waive his per diem:

Mr. Boyd, on motion of Mr. Hinckley.

RESOLUTIONS

The following resolution was offered:

By Mr. Dickey:

House Resolution No. 57

Resolved, That the Controller be and he is hereby authorized to draw his warrants on the Contingent Fund of the Assembly in favor of the persons or firms listed below and for the amounts set opposite their respective names, and as itemized below, and the State Treasurer is hereby authorized and directed to pay the same:

Bureau of Purchases (supplies)	$52 55
Cascade Towel Supply Company (towel service)	50 00

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 57, at this time, without reference to committee or file.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Anderson, Beck, Bennett, Berry, Blosser, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Fletcher, Gaffney, Gannon, Geddes, Grant, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Waters, Weber, and Wollenberg—71.

NOES—None.

REPORTS OF STANDING COMMITTEES

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMETNO, June 23, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:

Assembly Bill No. 46—An act to provide for a System of Public Streets and Highways in this State and for the financial support thereof, including the levying of taxes therefor, and for that purpose to repeal Sections 188, 203, 1021, 1022, 1023, 1024, 1621, 1625.5, 1626, 1626.5, 1627, and 1628 of, to amend Sections 143, 194, 195, 458, 461, 467, 1028, 1029, and 1622 of, and to add Division 3 and Sections 29, 74, 143.1, 143.2, 188, 188.4, 521, 522, 523, 524, 525, 526, 527, 528, 529, and 600 to, to add Article 2.5 to Chapter 3 of Division 1 of, the Streets and Highways Code, to repeal Sections 276.5, 779, 780, and 782, and to amend Sections 277, 370, 372, 381, and 781 of, the Vehicle Code, and to repeal Sections 8353, 8353.5, 8354, 8355, 8356, 8357, and 8358 of, to amend Sections 7351, 8352, 8651, 9302, 9303, 9304, and 10452 of, and to add Sections 8353, 9654 and 10456 to, the Revenue and Taxation Code, and to amend Section 7 of Chapter 788 of the Statutes of 1937;

And reports that the same has been correctly enrolled, and presented to the Governor on the twenty-third day of June, 1947, at 9 a.m.

WEBER, Chairman

UNFINISHED BUSINESS

CONSIDERATION OF SENATE AMENDMENTS

Assembly Bill No. 32—An act to add Sections 147, 148, 149, 150, and 151 to the Streets and Highways Code, relating to state highways.

The question being: Shall the Assembly concur in the following Senate amendments to Assembly Bill No. 32?

Amendment No. 1

On page 1, line 17, of the printed bill, as amended in the Assembly on March 31, 1947, following the period, insert "No contract authorized by this section shall be *valid until approved by the Public Utilities Commission.*"

Amendment No. 2

On page 2, line 15, of said bill, following "contract," insert "which shall not exceed 35 years,".

Amendment No. 3

On page 1, line 4, of the printed bill, as amended in the Senate on May 12, 1947, strike out "additional", and insert "mass transportation".

Amendment No. 4

On page 1, line 5, of said bill, strike out "mass transportation of persons on freeways.", and insert "loading and unloading of passengers carried on motor coaches or busses operated by common carriers of passengers for hire in urban or suburban service."

Amendment No. 5

On page 1, line 11, of said bill, strike out "may", and insert "shall".

Amendment No. 6

On page 1, line 19, of said bill, following the period after "Commission", insert "Expenditures made under Section 147 and this section by the department shall be limited so that the outstanding amount invested in such mass transportation facilities shall not at any time exceed the sum of one million dollars ($1,000,000)."

Amendment No. 7

On page 2, line 21, of said bill, after "authority", insert "now or hereafter".

The roll was called, and the Assembly concurred in Senate amendments to Assembly Bill No. 32 by the following vote:

AYES—Anderson, Beck, Bennett, Berry, Blosser, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Rosenthal, Sherwin, Silliman, Stanley, Stephenson, Thomas, Thompson, Thorp, Thurman, Waters, Weber, and Wollenberg—74.

NOES—None.

Assembly Bill No. 32 ordered enrolled.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, June 20, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate on this day adopted:

Assembly Joint Resolution No. 5

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

Above resolution ordered enrolled.

SENATE CHAMBER, SACRAMENTO, June 20, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate on this day passed:

Assembly Bill No. 35

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

Above bill ordered enrolled.

MOTION TO STRIKE ASSEMBLY BILL NO. 11 FROM THE FILE

Mr. Burns moved that Assembly Bill No. 11 be stricken from the file.

Motion carried.

MOTION TO STRIKE ASSEMBLY BILL NO. 14 FROM THE FILE

Mr. Beck moved that Assembly Bill No. 14 be stricken from the file.

Motion carried.

MOTION TO STRIKE ASSEMBLY BILL NO. 50 FROM THE FILE

Mr. Waters moved that Assembly Bill No. 50 be stricken from the file.

Motion carried.

CONSIDERATION OF DAILY FILE
THIRD READING OF SENATE BILLS

Senate Bill No. 38—An act making an appropriation for support of the Department of Motor Vehicles.

Bill read third time.

The roll was called, and the bill passed by the following vote:

AYES—Anderson, Beck, Bennett, Berry, Blosser, Brady, Brown, Burke, Burns, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Robertson, Rosenthal, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Waters, Weber, and Wollenberg—69.
NOES—None.

Bill ordered transmitted to the Senate.

Senate Bill No. 39—An act making an appropriation for support of the California Highway Patrol.

Bill read third time.

The roll was called, and the bill passed by the following vote:

AYES—Anderson, Beck, Bennett, Berry, Blosser, Brady, Brown, Burke, Burns, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Robertson, Rosenthal, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Waters, Weber, and Wollenberg—69.
NOES—None.

Bill ordered transmitted to the Senate.

MOTION THAT ASSEMBLY BILL NO. 29 BE STRICKEN FROM THE FILE

Mr. Geddes moved that Assembly Bill No. 29 be stricken from the file.

Motion carried.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, June 20, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate on this day adopted:

Senate Concurrent Resolution No. 4

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

FIRST READING AND REFERENCE OF SENATE BILLS

The following resolution was read:

Senate Concurrent Resolution No. 4—Relative to adjournment sine die of the Fifty-seventh (First Extraordinary) Session of the Legislature of the State of California.

Referred to Committee on Rules.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, June 20, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate on this day passed:

Senate Bill No. 37

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

FIRST READING AND REFERENCE OF SENATE BILLS (RESUMED)

The following bill was read the first time:

Senate Bill No. 31—An act to amend Section 39.6 of the Vehicle Code, relating to agricultural waterwell boring rigs.

Referred to Committee on Agriculture.

MOTION THAT PRAYERS OF CHAPLAIN BE PRINTED

Mr. Dickey moved that the prayers of the Chaplain, given in the First Extraordinary Session, be ordered printed in conjunction with the prayers given in the General Session.

Motion carried.

MEMBERS EXCUSED

At 10.38 a.m., Mr. Clarke asked for, and was granted, unanimous consent that the members of the Committee on Agriculture be excused, at this time, for the purpose of holding a meeting.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, June 20, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate amended, and on this day passed, as amended:

Assembly Bill No. 32

And respectfully requests your honorable body to concur in said amendments.

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

Above bill ordered to unfinished business file.

RECESS

At 10.40 a.m., on motion of Mr. Dickey, the Assembly recessed until 4 p.m.

REASSEMBLED

At 4 p.m., the Assembly reconvened.

Hon. Thomas A. Maloney, Speaker pro Tempore of the Assembly, presiding.

Chief Clerk Arthur A. Ohnimus at the desk.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, June 23, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate amended, and on this day passed, as amended:

Assembly Bill No 18

And respectfully requests your honorable body to concur in said amendments.

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

Above bill ordered to unfinished business file.

UNFINISHED BUSINESS (RESUMED)

CONSIDERATION OF SENATE AMENDMENTS

Assembly Bill No. 18—An act to add Section 512 to the Streets and Highways Code, relating to state highways.

The question being: Shall the Assembly concur in the following Senate amendments to Assembly Bill No 18?

Amendment No. 1

In line 1 of the title of the printed bill, as amended, strike out "Section 374 and 375", and insert "Section 374".

Amendment No. 2

In line 2 of the title of the printed bill, as amended, strike out "Section 512", and insert "Sections 512 and 543".

Amendment No. 3

On page 1 of the printed bill, as amended, strike out lines 9 to 17, inclusive, and insert "(b) (a) above near M and East Second Street to East Fifth and C Streets, in Benicia."

Amendment No. 4

On page 1, line 20, of the printed bill, as amended, strike out "Morrow Bay via"; and strike out lines 21 to 23, inclusive, and insert "Route 23, near Freeman."

Amendment No. 5

On page 1 of said bill, following line 23, insert

"SEC. 4. Section 543 is added to the Streets and Highways Code, to read:

543. Route 230 is from Route 172 to Route 173 via Indiana Street in Los Angeles County.

SEC. 5. Section 600 of the Streets and Highways Code shall be applicable to the route added to the State Highway System by Section 3 of this act, the same as if said route had been added by the Collier-Burns Highway Act of 1947."

The roll was called, and the Assembly concurred in Senate amendments to Assembly Bill No. 18 by the following vote:

AYES—Bennett, Berry, Blosser, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Grant, Grunsky, Hahn, Heisinger, Hinckley, Hinton, Holhbaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Luckel, Maloney, McCollister, McMillan, Miller, Niehouse, Price, Robertson, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—66.

NOES—None.

Assembly Bill No. 18 ordered enrolled.

REQUEST FOR UNANIMOUS CONSENT THAT SENATE BILL NO. 37 BE WITHDRAWN FROM COMMITTEE ON AGRICULTURE, AND RE-REFERRED TO COMMITTEE ON TRANSPORTATION AND COMMERCE

Mr. Clarke asked for, and was granted, unanimous consent that Senate Bill No. 37 be withdrawn from the Committee on Agriculture, and be re-referred to the Committee on Transportation and Commerce.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, June 23, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate on this day concurred in Assembly amendments to.

Senate Bill No. 38
Senate Bill No. 39

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

REPORTS OF STANDING COMMITTEES

Committee on Revenue and Taxation

ASSEMBLY CHAMBER, SACRAMENTO, June 20, 1947

MR. SPEAKER: Your Committee on Revenue and Taxation, to which was referred:

Senate Bill No. 21

Has had the same under consideration, and reports the same back with amendments with the recommendation: Amend, and do pass, as amended.

HOLLIBAUGH, Chairman

Above reported bill ordered to second reading.

SECOND READING OF SENATE BILLS (BY UNANIMOUS CONSENT)

Senate Bill No. 21—An act to add Sections 10753.6, 10753.7, and 10753.8, to the Revenue and Taxation Code, relating to the motor vehicle license fee.

Bill read second time.

Consideration of Committee Amendments

The following amendments were proposed by the Committee on Revenue and Taxation:

Amendment No. 1

On page 1, line 11, of the printed bill, as amended on February 3, 1947, strike out "8", and insert "9".

Amendment No. 2

On page 2, line 10, of said bill, strike out "8", and insert "9".

Amendments read, and adopted.

Request for Unanimous Consent

Mr. Burns asked for, and was granted, unanimous consent to take up Senate Bill No. 21, as amended, at this time, without reference to print or file.

CONSIDERATION OF SENATE BILL NO. 21, AS AMENDED

Resolution to Suspend Constitutional Provision

The following resolution was offered:

By Mr. Burns:

Resolved, That Senate Bill No. 21 presents a case of urgency, as that term is used in Article IV, Section 15, of the Constitution, and the provision of that section requiring that the bill be read on three several days in each house is hereby dispensed with, and it is ordered that said bill be read the third time, and placed upon its passage.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Bennett, Berry, Blosser, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, Miller, Niehouse, Price, Robertson, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—68.

NOES—None.

Article IV, Section 15, of the Constitution was declared suspended.

Senate Bill No. 21—An act to add Sections 10753.6, 10753.7, and 10753.8, to the Revenue and Taxation Code, relating to the motor vehicle license fee.

Bill read third time.

The roll was called, and the bill passed by the following vote:

AYES—Bennett, Berry, Blosser, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, Miller, Niehouse, Price, Robertson, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—68.

NOES—None.

Bill ordered reprinted, and transmitted to the Senate.

REPORTS OF STANDING COMMITTEES

Committee on Rules

ASSEMBLY CHAMBER, SACRAMENTO, June 20, 1947

MR. SPEAKER: Your Committee on Rules, to which was referred:

Senate Concurrent Resolution No. 4

Has had the same under consideration, and reports the same back with amendments with the recommendation: Amend, and be adopted, as amended.

DICKEY, Chairman

Above reported resolution ordered on file for adoption.

CONSIDERATION OF SENATE CONCURRENT RESOLUTION NO. 4 (BY UNANIMOUS CONSENT)

Senate Concurrent Resolution No. 4—Relative to the adjournment sine die of the Fifty-seventh (First Extraordinary) Session of the Legislature of the State of California.

Resolution read.

Consideration of Committee Amendments

The following amendment was proposed by the Committee on Rules:

Amendment No. 1

In paragraph 1 of the printed resolution, after "shall adjourn sine die at", strike out "4.00 p.m., June 23, 1947.", and insert "12.00 m., June 24, 1947."

Amendment read, and adopted.

Request for Unanimous Consent to Consider Senate Concurrent Resolution No. 4, as Amended

Mr. Dickey asked for, and was granted, unanimous consent to take up Senate Concurrent Resolution No. 4, as amended, at this time, without reference to reprint or file.

Consideration of Senate Concurrent Resolution No. 4, as Amended

Senate Concurrent Resolution No. 4—Relative to the adjournment sine die of the Fifty-seventh (First Extraordinary) Session of the Legislature of the State of California.

Resolution read, as amended.

The roll was called, and the resolution adopted by the following vote:

AYES—Bennett, Berry, Blosser, Brady, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Heisinger, Hinckley, Hinton, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, Price, Robertson, Sherwin, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thorp, Thurman, Waters, Wollenberg, and Mr. Speaker—68.

NOES—Beck—1.

Resolution ordered transmitted to the Senate.

ADJOURNMENT

At 4.10 p.m., on motion of Mr. Dickey, the Speaker declared the Assembly adjourned until 10 a.m., Tuesday, June 24, 1947.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

CALIFORNIA LEGISLATURE
FIFTY-SEVENTH (FIRST EXTRAORDINARY) SESSION

ASSEMBLY DAILY JOURNAL

EIGHTY-FOURTH LEGISLATIVE DAY
ONE HUNDRED SIXTY-THIRD CALENDAR DAY

IN ASSEMBLY

ASSEMBLY CHAMBER, SACRAMENTO
Tuesday, June 24, 1947

The Assembly met at 10 a.m.
Hon. Sam. L. Collins, Speaker of the Assembly, presiding.
Chief Clerk Arthur A. Ohnimus at the desk.

ROLL CALL

The roll was called, and the following answered to their names:

Anderson, Beck, Bennett, Blosser, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T Davis, M. Philip Davis, Debs, Dickey, Clayton A Dills, Ralph C. Dills, Dolwig, Doyle, Dunn, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—71.

Quorum present.

PRAYER

Upon invitation of Speaker Collins, the following prayer was offered by the Hon. Walter R. Hinton, Member of the Assembly from the Forty-second District:

Our Father, we come before Thee facing a future of many trying problems May we find hope in the presence of the powerful and world transforming principles of our religion. May we realize that we owe our progress and democracy to the religious principle of respect for the soul and its inalienable rights. Above all, as we return to our homes, may we have a part in promoting the organizations which proclaim and diffuse these beneficent principles and which offer us every earthly blessing and heavenly consolation. In Jesus name we pray—AMEN.

READING OF THE JOURNAL DISPENSED WITH

On motion of Mr. Burns, further reading of the Journal of the previous legislative day was dispensed with.

LEAVES OF ABSENCE FOR THE DAY

The following members were granted leaves of absence for the day, because of illness:

Mr. Knight, by unanimous consent.
Mr. Thorp, by unanimous consent.

Mr. Rosenthal, by unanimous consent.
Mr. Hinton, by unanimous consent.
Mr. Berry, by unanimous consent.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, June 23, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate amended, and on this day passed, as amended:

Assembly Bill No. 47

And respectfully requests your honorable body to concur in said amendments.

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

Above bill ordered to unfinished business file.

UNFINISHED BUSINESS

CONSIDERATION OF SENATE AMENDMENTS

Assembly Bill No. 47—An act to add Section 2 to "An act to amend Section 142 of the Vehicle Code, relating to vehicles exempted from registration" approved June 4, 1947, relating to vehicles exempted from registration.

The question being: Shall the Assembly concur in the following Senate amendments to Assembly Bill No. 47?

Amendment No. 1

In lines 1 and 2 of the title of the printed bill, as amended, strike out "add Section 2 to "An act to".

Amendment No. 2

Strike out line 4 of the title of said bill; and in line 5, strike out "June 4, 1947, relating to vehicles".

Amendment No. 3

On page 2 of said bill, strike out lines 31 and 32, and insert

"SECTION 1. Section 142 of the Vehicle Code is amended to read:

142. Exemption From Registration. The registration provisions of this chapter shall not apply to any of the following vehicles:

(a) Any vehicle of a type otherwise subject to registration hereunder which is driven or moved upon a highway in conformance with the provisions of this code relating to dealers, transporters or nonresidents or under a temporary registration permit issued by the department as authorized by Section 147 hereof.

(b) Any vehicle of a type otherwise subject to registration hereunder which is driven or moved upon a highway only for the purpose of crossing such highway from one property to another in accordance with a permit issued by the Department of Public Works.

(c) Any implement of husbandry, whether of a type otherwise subject to registration hereunder or not, which is only incidentally operated or moved over a highway. The following shall be deemed to be implements of husbandry and shall be exempt from registration:

(1) A lift-carrier *or other vehicle* designed and used exclusively for the lifting and carrying of implements of husbandry, when operated or moved upon a highway.

(2) A two-wheeled trailer having no bed, and designed and used solely for transporting a hay loader.

(3) A spray rig designed and used exclusively for spraying in the conduct of agricultural operations.

(4) A nurse rig or equipment auxiliary to the use of a spray rig.

(5) A row duster.

(6) A wagon or van used exclusively for carrying products of farming from one part of a farm to another part thereof, or from one farm to another farm, and used solely for agricultural purposes, including any van used in harvesting alfalfa, which is only incidentally operated or moved on a highway as a trailer.

(7) A wagon or portable house on wheels, used solely by shepherds as a permanent residence in connection with sheep-raising operations and moved from one part of a ranch to another part thereof or from one ranch to another ranch, which is only incidentally operated or moved on a highway as a trailer.

(8) A trap wagon moved from one part of a ranch to another part of the same ranch or from one ranch to another, which is only incidentally operated or moved on a highway.

The foregoing list shall be deemed as illustrative and not a list of limitations.
(d) Special mobile equipment.
(e) Any self-propelled wheel chair or invalid tricycle.
(f) Special highway construction equipment"

The roll was called, and the Assembly concurred in Senate amendments to Assembly Bill No. 47 by the following vote:

AYES—Anderson, Beck, Bennett, Blosser, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Sillman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—70.
NOES—None.

Assembly Bill No. 47 ordered enrolled.

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, June 23, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate on this day concurred in Assembly amendments to:

Senate Bill No. 21
Senate Concurrent Resolution No. 4

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

SENATE CHAMBER, SACRAMENTO, June 23, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate on this day passed:

Senate Bill No. 28

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

FIRST READING AND REFERENCE OF SENATE BILLS

The following bill was read the first time:

Senate Bill No. 28—An act to add Section 569 to the Streets and Highways Code, relating to the state highway routes.

Without reference to committee.

RESOLUTIONS

The following resolutions were offered:

By Mr. Dickey:

House Resolution No. 58

Resolved, That Arthur A. Ohnimus, Chief Clerk of the Assembly, is hereby directed to take charge of arranging and preparing the bills, books and all other records of the Assembly, and filing the same with the Secretary of State, as provided by law, subsequent to adjournment of this First Extraordinary Session of the Fifty-seventh Legislature, *and shall have charge of correcting, comparing and proofreading* and otherwise preparing the Journal of the Assembly of this First Extraordinary Session; such proofreading, comparing and indexing of the Assembly Journals shall be performed by the State Printer under the direction of the Chief Clerk of the Assembly, making the information therein contained readily available for the use of the Members of the Legislature, state officers and the general public, as a permanent record of the business transacted during this First Extraordinary Session. He shall also have charge of compiling, preparing and having printed after adjournment, a Final Calendar of the legislative business of the First Extraordinary Session of the Fifty-seventh Legislature, said Calendar to comprise a history of all bills introduced and their authors, the numbers that shall have become law; those that have been refused passage; and any and all such information as will provide a complete history of the session's business and a guide for the information of subsequent sessions of the Legislature.

When the Final Calendar is prepared, said Arthur A. Ohnimus, Chief Clerk, is directed to forward one copy of the Final History to each public library in the State, which may apply for same, and one copy to each Member of the Assembly,

and one copy of the complete unbound chapters to each Member of the Assembly; and be it further

Resolved, That the State Controller is hereby authorized and directed to pay weekly compensation in such amounts and to such persons as may be certified to him by the Chief Clerk as being entitled to the same, and such sums shall be payable from the unexpended balance of the fund provided for the payment of officers and attaches of the Assembly.

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 58, at this time, without reference to committee or file.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Anderson, Beck, Bennett, Blosser, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—70.

NOES—None.

By Mr. Dickey:

House Resolution No. 59

Resolved, That Arthur A. Ohnimus, Chief Clerk of the Assembly, be and he is hereby authorized and empowered to receipt for any warrants that may be due members, officers, or other attaches of the Assembly, after the close of the session, or that may be drawn upon the Contingent Fund of the Assembly.

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 59, at this time, without reference to committee or file.

Resolution read, and adopted.

By Mr. Thurman:

House Resolution No. 60

WHEREAS, Juanita L. Dependener, as Chief Stenographer, and her corps of efficient stenographers have at all times, and under all conditions, served each and every Member of the Assembly with the greatest possible dispatch, efficiency, and uniform courtesy; now, therefore, be it

Resolved, That we, the Members of this Assembly, extend to them our sincere thanks and appreciation for the splendid services they have performed during this Fifty-seventh Session of the Legislature; and be it further

Resolved, That a suitably engrossed copy of this resolution be presented to Juanita L. Dependener.

Request for Unanimous Consent

Mr. Thurman asked for, and was granted, unanimous consent to take up House Resolution No. 60, at this time, without reference to committee or file.

Resolution read, and adopted unanimously.

By Messrs. Dickey, Fletcher, Burns, and Anderson:

House Resolution No. 61

Resolved, That the Members of the Assembly extend to Mrs. Dolly Smith, Secretary to the Chief Clerk, their appreciation for the uniform courtesy she has shown to each and every member during this Fifty-seventh Session of the Legislature, and the capable and efficient manner in which she has performed the important duties of her position; and be it further

Resolved, That a suitably engrossed copy of this resolution be presented to Mrs. Dolly Smith.

Request for Unanimous Consent

Mr. Burns asked for, and was granted, unanimous consent to take up House Resolution No. 61, at this time, without reference to committee or file.

Resolution read, and adopted unanimously.

By Mr. Dickey:

House Resolution No. 62

Resolved, That the thanks of this Assembly are extended to Walter W. Feeley, Journal Clerk, and to Mrs. Florence Harvey, Assistant Journal Clerk, for the able manner in which they have conducted the business of their office in proofreading the Daily Journal; and be it further

Resolved, That a suitably engrossed copy of this resolution be presented to Walter W. Feeley and to Florence Harvey.

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 62, at this time, without reference to committee or file.

Resolution read, and adopted unanimously.

By Mr. Geddes:

House Resolution No. 63

Resolved, That the thanks of the Assembly are extended to Lillian Burger Slater, Assistant Minute Clerk, for the able, competent and efficient manner in which she has conducted the business of her office during this Fifty-seventh Session of the Legislature; and be it further

Resolved, That a copy of this resolution be suitably prepared and presented to Lillian Burger Slater.

Request for Unanimous Consent

Mr. Geddes asked for, and was granted, unanimous consent to take up House Resolution No. 63, at this time, without reference to committee or file.

Resolution read, and adopted unanimously.

By Mr. Waters:

House Resolution No. 64

Resolved, That the thanks of the Assembly are extended to Virginia Hartong, Assistant History Clerk, for the able and competent manner in which she has conducted the business of her office during this Fifty-seventh Session of the Legislature; and be it further

Resolved, That a copy of this resolution be suitably prepared and presented to Virginia Hartong.

Request for Unanimous Consent

Mr. Waters asked for, and was granted, unanimous consent to take up House Resolution No. 64, at this time, without reference to committee or file.

Resolution read, and adopted unanimously.

By Mr. Hawkins:

House Resolution No. 65

Resolved, That the Members of the Assembly of the Fifty-seventh Session of the California Legislature extend their thanks to Marion Hendricks, Assistant Engrossing and Enrolling Clerk, for the courteous and competent manner in which she has conducted the business of her office; and be it further

Resolved, That a copy of this resolution, suitably engrossed, be presented to Marion Hendricks.

Request for Unanimous Consent

Mr. Hawkins asked for, and was granted, unanimous consent to take up House Resolution No. 65, at this time, without reference to committee or file.

Resolution read, and adopted unanimously.

By Mr. Dickey:

House Resolution No. 66

Resolved, That each and every officer, attache and employee of the Assembly for the Fifty-seventh (First Extraordinary) Session, is hereby stricken from the pay roll upon completion of work on Tuesday, June 24, 1947.

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 66, at this time, without reference to committee or file.

Resolution read.

The roll was called, and the resolution adopted by the following vote:

AYES—Anderson, Beck, Bennett, Blosser, Brady, Brown, Burke, Burns, Butters, Caldecott, Carey, Clarke, Collier, George D. Collins, Conrad, Cooke, Cramer, Crichton, Crowley, Lester T. Davis, M. Philip Davis, Debs, Dickey, Clayton A. Dills, Ralph C. Dills, Dolwig, Doyle, Elliott, Erwin, Evans, Field, Fletcher, Gaffney, Gannon, Geddes, Grant, Grunsky, Hahn, Hawkins, Heisinger, Hinckley, Hollibaugh, Huyck, James, Johnson, Kilpatrick, Kirkwood, Loomis, Lowrey, Luckel, Lyons, Maloney, McCollister, McMillan, Miller, Niehouse, O'Day, Price, Robertson, Silliman, Stanley, Stephenson, Stewart, Thomas, Thompson, Thurman, Waters, Weber, Wollenberg, and Mr. Speaker—70.

NOES—None.

By Mr. Dickey:

House Resolution No. 67

Resolved, That the Speaker appoint a Committee of Five to wait upon the Senate and inform it that the Assembly has concluded its labors and ask if it has any further message to deliver to this body.

Request for Unanimous Consent

Mr. Dickey asked for, and was granted, unanimous consent to take up House Resolution No. 67, at this time, without reference to committee or file.

Resolution read, and adopted unanimously.

Appointment of Select Committee

Pursuant to the provisions of House Resolution No. 67, Speaker Collins announced the appointment of Messrs. Burns, Robertson, Heisinger, Conrad, and Silliman as such Select Committee to wait upon the Senate.

By Mr. Maloney:

House Resolution No. 68

Resolved, That the Speaker appoint a Committee of Five to wait upon His Excellency, the Governor of the State of California, and inform him that the Assembly has concluded its labors, is ready to adjourn, and awaits his further pleasure.

Request for Unanimous Consent

Mr. Maloney asked for, and was granted, unanimous consent to take up House Resolution No. 68, at this time, without reference to committee or file.

Resolution read, and adopted.

Appointment of Select Committee

Pursuant to the provisions of House Resolution No. 68, Speaker Collins announced the appointment of Messrs. Maloney, Field, Weber, Hinckley, and Kirkwood as such Select Committee to wait upon His Excellency, the Governor.

COMMITTEE FROM THE SENATE

Senators Parkman, Dillinger, and Brown appeared before the bar of the Assembly, and announced that the Senate had concluded its labors, and was now ready to adjourn sine die.

REPORTS OF SELECT COMMITTEES

The Select Committee appointed to wait upon His Excellency, the Governor, appeared before the bar of the Assembly, and reported that it had communicated with the Governor and that he had no further communication to make to the Assembly.

The Select Committee appointed to wait upon the Senate appeared before the bar of the Assembly, and reported that the instructions of the Assembly had been carried out, and that the Senate had concluded its labors and was ready to adjourn.

REPORTS OF STANDING COMMITTEES

Committee on Municipal and County Government

ASSEMBLY CHAMBER, SACRAMENTO, June 20, 1947

MR. SPEAKER: Your Committee on Municipal and County Government, to which was referred:

Assembly Bill No. 15

Respectfully reports the same back without action.

THURMAN, Chairman

Committee on Transportation and Commerce

ASSEMBLY CHAMBER, SACRAMENTO, June 20, 1947

MR. SPEAKER: Your Committee on Transportation and Commerce, to which was referred:

Senate Bill No. 37

Respectfully reports the same back without action.

BURNS, Chairman

ASSEMBLY CHAMBER, SACRAMENTO, June 20, 1947

MR. SPEAKER: Your Committee on Transportation and Commerce, to which were referred:

Assembly Bill No. 5
Assembly Bill No. 9
Assembly Bill No. 10
Assembly Bill No. 16
Assembly Bill No. 25
Assembly Bill No. 44

Respectfully reports the same back without action.

BURNS, Chairman

Committee on Conservation, Planning, and Public Works

ASSEMBLY CHAMBER, SACRAMENTO, June 20, 1947

MR. SPEAKER: Your Committee on Conservation, Planning, and Public Works, to which were referred:

Assembly Bill No. 3
Assembly Bill No. 13
Assembly Bill No. 17
Assembly Bill No. 19
Assembly Bill No. 21
Assembly Bill No. 22
Assembly Bill No 23
Assembly Bill No. 30
Assembly Bill No. 33
Assembly Bill No. 38
Assembly Bill No. 48

Respectfully reports the same back without action.

McMILLAN, Chairman

Committee on Revenue and Taxation

ASSEMBLY CHAMBER, SACRAMENTO, June 20, 1947

MR. SPEAKER: Your Committee on Revenue and Taxation, to which were referred:

Assembly Bill No. 1
Assembly Bill No. 2
Assembly Bill No. 6
Assembly Bill No. 7
Assembly Bill No. 8
Assembly Bill No. 12
Assembly Bill No. 20
Assembly Bill No. 31
Assembly Bill No. 34
Assembly Bill No. 36

Respectfully reports the same back without action.

HOLLIBAUGH, Chairman

Committee on Ways and Means

ASSEMBLY CHAMBER, SACRAMENTO, June 20, 1947

MR. SPEAKER: Your Committee on Ways and Means, to which were referred:

Assembly Bill No. 37
Assembly Bill No. 49

Respectfully reports the same back without action.

WOLLENBERG, Chairman

Committee on Governmental Efficiency and Economy

ASSEMBLY CHAMBER, SACRAMENTO, June 20, 1947

MR. SPEAKER: Your Committee on Governmental Efficiency and Economy, to which were referred:

Assembly Bill No. 4
Assembly Bill No. 42

Respectfully reports the same back without action.

FIELD, Chairman

Committee on Rules

ASSEMBLY CHAMBER, SACRAMENTO, June 24, 1947

MR. SPEAKER: Your Committee on Rules, to which was referred:

Assembly Concurrent Resolution No. 2
House Resolution No. 25

Respectfully reports the same back without further action.

DICKEY, Chairman

Committee on Legislative Procedure

ASSEMBLY CHAMBER, SACRAMENTO, June 24, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:

Assembly Bill No. 18—An act to amend Section 374 of, and to add Sections 512 and 543 to, the Streets and Highways Code, relating to state highways;

Assembly Bill No. 32—An act to add Sections 147, 148, 149, 150, and 151 to the Streets and Highways Code, relating to state highways;

Assembly Bill No. 35—An act to provide for the relocation of a portion of State Highway Route 5 in Santa Clara County, making an appropriation therefor, and declaring the urgency hereof, to take effect immediately;

And reports that the same have been correctly enrolled, and presented to the Governor on the twenty-fourth day of June, 1947, at 11 30 a m.

WEBER, Chairman

ASSEMBLY CHAMBER, SACRAMENTO, June 24, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:

Assembly Bill No. 47—An act to amend Section 142 of the Vehicle Code, relating to vehicles exempted from registration;

And reports that the same has been correctly enrolled, and presented to the Governor on the twenty-fourth day of June, 1947, at 11.30 a m.

WEBER, Chairman

ASSEMBLY CHAMBER, SACRAMENTO, June 24, 1947

MR. SPEAKER: Your Committee on Legislative Procedure has examined:

Assembly Joint Resolution No. 5—Relative to memorializing Congress to issue commemorative gold coins, or in the alternative, to authorize the manufacture from gold of souvenirs for California's Centennial celebrations;

And reports that the same has been correctly enrolled, and presented to the Secretary of State on the twenty-fourth day of June, 1947, at 11 30 a.m.

WEBER, Chairman

MESSAGES FROM THE SENATE

SENATE CHAMBER, SACRAMENTO, June 24, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate on this day returns without further action:

Assembly Bill No. 24
Assembly Bill No. 26
Assembly Bill No. 28

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

SENATE CHAMBER, SACRAMENTO, June 24, 1947

MR. SPEAKER: I am directed to inform your honorable body that the Senate on this day returns without further action:

Assembly Joint Resolution No. 4
Assembly Joint Resolution No. 7

J. A. BEEK, Secretary of the Senate
By C. V. TAYLOR, Assistant Secretary

MOTION TO APPROVE JOURNALS

Mr. Dickey moved that the Journals for Monday, June 16, 1947; Tuesday, June 17, 1947; Wednesday, June 18, 1947; Thursday, June 19, 1947; Friday, June 20, 1947; Saturday, June 21, 1947; Monday, June 23, 1947; and Tuesday, June 24, 1947, were approved as corrected by the Minute Clerk.

ADJOURNMENT SINE DIE

At 12 noon, on Tuesday, June 24, 1947, in accordance with the provisions of Senate Concurrent Resolution No. 4, the Hon. Sam. L. Collins, Speaker of the Assembly, announced that the time for final adjournment of the Fifty-seventh (First Extraordinary) Session of the Legislature of the State of California had arrived, and therefore declared the Assembly adjourned sine die.

SAM L. COLLINS, Speaker

GERALDINE B. HADSELL, Minute Clerk

RECAPITULATION OF ASSEMBLY ACTIONS

ASSEMBLY BILLS APPROVED BY THE GOVERNOR, CHAPTERED AND FILED WITH THE SECRETARY OF STATE

The following Assembly bills were approved by the Governor, chaptered, and filed with the Secretary of State. Unless otherwise specified, all bills become effective 90 days after adjournment sine die of the Legislature, or on September 23, 1947.

A B Number	Chapter	Author	Subject of Title	Approved by Governor
18	13	James	Relating to State Highways	July 8
32	14	Thomas	Relating to State Highways	July 8
35	19	Thompson and Kirkwood	Relocation of a portion of State Highway Route 5, Santa Clara County	July 17
39	5	Dickey	Appropriation for mileage of Members and Officers of Assembly	Mar 26
40	6	Dickey	Appropriation for contingent expenses of Assembly	Mar. 26
41	8	Stewart et al	Recruiting and training of additional members of California Highway Patrol	May 22
45	10	Butters	Vehicles exempted from registration	June 4
46	11	Burns et al	Providing for a system of public streets and highways in this State, and for the financial support thereof	June 23
47	20	Butters et al	Relating to vehicles exempted from registration	July 17

Number of Assembly bills approved by Governor—9.

ASSEMBLY BILLS REMAINING ON FILE IN ASSEMBLY WITHOUT FURTHER ACTION

43.

Total 1

ASSEMBLY CONCURRENT RESOLUTIONS CHAPTERED, AND FILED WITH SECRETARY OF STATE

Number	Resolution Chapter	Author	Subject of Title	Date filed with Secretary of State
1	2	Dickey	Recess of Fifty-seventh (First Extraordinary) Session of the Legislature	Feb. 5

Total 1

ASSEMBLY CONCURRENT RESOLUTIONS REMAINING ON FILE IN ASSEMBLY WITHOUT FURTHER ACTION

3.

Total 1

ASSEMBLY JOINT RESOLUTIONS CHAPTERED, AND FILED WITH THE SECRETARY OF STATE

Number	Resolution Chapter	Author	Subject of Title	Date filed with Secretary of State
1	4	Dickey	Centralized purchasing for Navy Ships service stores	Mar 14
2	5	Hinckley and Price	Equalizing of freight rates	Mar. 14
3	9	Cooke	Use of decommissioned hospital ships by state and city agencies	Apr. 21
5	12	Lester T Davis et al	Commemorative gold coins or gold souvenirs for California s Centennial celebrations	June 24
6	7	Wollenberg et al	Granting of acreage in Presidio of San Francisco for new San Francisco State College	Mar 19

Total 5

SENATE BILLS REMAINING ON FILE IN ASSEMBLY WITHOUT FURTHER ACTION

28.

Total 1