

# CHARLES HODDE: AN ORAL HISTORY

---

MR. SPEAKER OF THE HOUSE

Legislative Oral History Project  
Washington State Archives  
Office of Secretary of State  
Ralph Munro, Secretary of State  
Timothy Frederick, Project Coordinator  
Jack Rogers, Project Interviewer  
Ann Saunders, Transcriber/Office Manager  
David Meyers, Photographer  
1986

# CONTENTS

## **Tape One (1-27)**

### **Side One:**

Hodde's beginnings in politics, Grange membership and lobbying for 40 mill limit, 1932 session of the legislature, 1933 session, Depression, marriage to Helen, repeal of Prohibition, State Highway Commission, support for county roads, Showalter Bill giving support to schools, relief measures, hunger marches, legislature then in regard to lack of cafeteria, and secretaries

### **Side Two:**

Warren Magnuson, Business and Occupation Tax, members of the '33 legislature, John R. Jones, Ivan Compton, Dick Ott, Belle Reeves, Pearl Wanamaker, Lulu Haddon, George Yantis, George Adams, W.E "Bill Carty", Donald McDonald, Fred Schady, Myron Titus, E.F. Banker, Harry Huse, C. "Nifty" Garret, Dan Landon, E.N. Steele, Ralph van Dyck, Mark Nelson, Robert Waldron, A.E. Edwards. Ed Miller, "Radio-Speaker" Stevenson, J.H. Ryan, mentions Third House Night, Wishbone Caucus, Columbia Basin Commission and grand Coulee Dam, Reclamation Fund, legalization of horseracing, creation of State Bar Association, Chain Store Bill

## **Tape Two (28-46)**

### **Side One:**

Discussion of Initiative 69 to establish a state income tax in 1932, 40 mill tax limit, Business and Occupation Tax, educational funding, development of roads and bridges, highway director Lacey Murrow, welfare for poor, hunger marches, Hooverville, Grand Coulee Dam

### **Side Two:**

1933 session, Columbia Basin Commission, Grand Coulee Dam, A.S. Goss, C.C. Dill, repeal of Prohibition, Steele Liquor Act, State Liquor Board, State Game Department, bounty of cougars, Grange lecturer, sells milk cows and buys beef cattle, raises certified seed potatoes, discussion of culturing, mechanized potato operation

## **Tape Three (47-67)**

### **Side One:**

1935 session, Initiative 77 regulating fish traps, Initiative 94 reenactment of the 40 mill limit, reclamation of agricultural lands, savings banks authorized to invest in housing loans, social welfare, regulation of pilots on Puget Sound, Blanket Primary Ballot, assessment of household furniture-exemption statute, cites authorized to adopt regulation of plumbing and electrical work, Hodde gets diploma as an electrical engineer, cougar bounties and game management, planning commissions in cities to regulate land conservation, State Forest Department takes over tax title lands from counties for management, Stevens and Pend Oreille Counties promoted sale of logged off land to federal government for national forest purposes

**Side Two:**

1935 session, establishment of a state narcotic farm colony, taxation on dogs, regulation on the sale of drugs and medicine, library districts created, pensions for the blind, first state unemployment law, aid to dependent children, road crew labor and secondary highway act, regulation of dentistry, creation of Board of Prison Terms and Paroles, rehabilitation of prisoners, special taxing districts created for special purposes, social legislation regarding monetary support for injured volunteer firemen, creation of Unemployment Compensation Act, creation of bridges, taxation of wine, flood control legislation, engineering and land surveying act passed to regulate profession, Drainage District Act, Short Firearms Act, Revenue Act, Business and Occupation Tax, Chain Store Tax, Public Utility Tax, Admissions Tax, tax on property deed conveyance, radio stations, fuel oil, cigarettes, and inheritance and gift taxes

**A, Side One:**

1935 session, continuation of discussion on Revenue Act, effort to authorize a graduated net income tax, creation of Narrows Bridge, old age pensions, failure of school equalization support, end of 1935 session

**Tape Four (68-86)****Side One:**

Tax delinquent land sales in early 1930s, state to sell land to federal government, law for state to take over logged forest lands and hold in trust for counties while timber re-grew, Hodde's experiences with logging in 1938, personal stories

**Side Two:**

Cutting cordwood, picking huckleberries, hiking, Colville area history, earliest sawmill in Northwest at Douglas Falls, Pomona Grange Park, State Park in Stevens County, Indians catching fish at Kettle Falls

**Tape Five (87-100)****Side One:**

1937 session, first session as a Representative, income tax, legislators expense money, school equalization measure, minimum salary for teachers, Warren Magnuson, Mon Wallgren, development of the state road system in the Colville area, Party make-up, sales tax battle on taxing food or personal services, regulating slaughter of livestock, marathon dancing, slot machines, creation of Washington Toll Bridge Authority, floating bridges

**Side Two:**

Continuation of Toll Bridge Authority, bridges, State Apple Commission created, taxation of motor vehicles changed, retirement system for teachers and judges, regulation of barbers and beauty schools, state income tax, court reversal on income tax

**Tape Six (101-118)****Side One:**

1938 election loss, testified against a rate increase by Washington Water Power, getting power lines out in the country, demand for wiring houses, first house wired, did not run in 1940 election, orchard business, 1942 election win, pinball and slot machine tax, cigarette tax increase, sales tax raised, Langlie elected governor, election challenged, C.C. Dill, Cincinnatus Group, forced consolidation of school districts, Tacoma Narrows Bridge falls, Hallet B. French, insurance agent failed to turn in premium for bridge, 40 mill limit written into constitution, admissions tax

**Side Two:**

Grange initiated measure to allow public utility districts to join in doing power projects, consolidation of school districts, voting rules for servicemen, basis for allocation of gas tax money to counties and cities, travel expenses for state employees, capitol improvements, Wallgren/Langlie race for governor, University of Washington medical and dental schools, move toward public power, gives up electrical wiring business, potato raising mechanization, 1944 election win

**Tape Seven (119-128)****Side One:**

Civil defense committee, Japanese balloon bombs, 1945 session, hospital districts, aeronautics legislation, Toll Bridge Authority, bridge between Vancouver and Portland, Republicans and Democrats in House and Senate in 1947 session, being Minority Leader, defeat of power bill by minority party, creation of Capitol Lake, state game code passed, represents farmers to get state money for beaver damage, taxing of P.U.D.'s, property assessment

**Side Two:**

(blank)

**Tape Eight (129-148)****Side One:**

1949 session, turnover of members in the legislature, Initiative 172 passed, increasing pensions, Governor Langlie, gains support for Speaker of the House position, how state would handle it's debt, constitutional amendment to repeal the anti-alien land provision, Un-American Activities Committee in Washington State, Ed Guthman reports not significant, financing public school construction, flat two percent income tax proposed, school construction money came from bonds and grant systems, Initiative 171 passed to allow sale of liquor by the drink

**Side Two:**

1950 election, controversy over public power, 1950 session, state deficit, Open Meeting Law, conservative welfare measure passed, bond issue for state institutions passed, construction of University of Washington hospital, unanimously elected Speaker, Langlie proposes means to pay state debt, four percent corporate franchise tax passed, construction of General Administration Building, Legislative Budget Committee established to monitor budget, legislators' pay, Revised Code of Washington, use of tax tokens for decoration, State Highway Commission, creation of more state highways, public power versus private in Spokane

**Tape Nine (149-164)****Side One:**

Bribes offered to vote on power bills, extended social security to state employees, willow goldfinch becomes state bird, Toll Bridge Authority takes over operation of ferries, legislature by a two-thirds vote of each house can amend an initiative, Alien Land Law amended to allow aliens to own land, corporate franchise tax ruled unconstitutional, more problems with state funding in 1951, veteran bonuses paid to conscientious objectors, 1952 election, Hodde candidate for governor, Langlie wins, Hodde elected overseer for the Grange

**Side Two:**

1956 state convention televised, Earl Coe's campaign chairman, Rossellini won governor election, Tax Commission member of Rosellini's cabinet, power needed in rural areas, P.U.D. buys out R.E.A., Washington Water Power buys out P.U.D. in Stevens County

**Tape 10 (165-184)****Side One:**

Rosellini years, property tax system, legislative liaison for Rosellini, revising the budget and accounting system, no recommendation in 1958 for a net income tax, Ed Guthman investigates the purchasing practices of General Administration, appointed director of General Administration, stories about General Administration and purchasing

**Side Two:**

General Administration Building adding on dilemma, state buying private homes, construction of buildings, using excavation dirt to fill Capitol Lake mud flat, Employment Security Building, becomes member of the Toll Bridge Authority, need to get second Lake Washington Bridge started, building of Hood Canal Bridge, federal government work done, who appraises inheritances changed while chairman of Tax Commission, problem with budget

**Tape Eleven (185-205)****Side One:**

Budget problems, different means of repaying bonds on toll bridges, effort to induce industry to Washington State by tax concessions, meeting with Lyndon Johnson, Seattle World's Fair, Commission chairmanship, temporary job with Senate Ways and Means Committee, job with Department of Interior in Washington D.C., earthquake hits Olympia, summation of Rosellini Administration, accreditation of mental institutions

**Side Two:**

Regional coordinator for the Pacific Northwest with the Department of the Interior, Julia Butler Hansen, River Basin Commission chairman, traveling for the state and federal government, had to resign his post, River Basin Commission dissolution, becomes federal government consultant in Olympia, National Water Resources Council, P.U.D. Association, Department of Ecology

**Tape Twelve (206-214)****Side One:**

Wally-Miller School Study consultant, work for Governor Evans, Non-Profit Hospital Association in Seattle, grain exporting companies tax problems, represented the small farmer over the corporation for the Grange, Dixy's campaign involvement, Director of Revenue under Dixy, Dixy's skills as governor, state funding for education and the Doran decision, committee to study tax problems

# TAPE ONE

---

## [Tape One, Side One]

**Mr. Hodde:** This is Charlie Hodde. Lots of people have asked me how I happened to get started in politics. I came to Washington in 1928, first to work on a dairy ranch over at Colville. I thought it was the most beautiful place I'd ever seen. Each Sunday, if I had a little time off, I'd try to climb another mountain. We worked hard, but it was so clean, so pretty, the water was so cold, so clear, you could see the fish in the stream, there were a lot of trout, the deer were fairly plentiful in the woods, rattlesnakes too, but it was a great country.

After one summer of working on a dairy ranch, I went farther north. I went into Alberta, worked through the harvest, stayed until December, had a great time with one of the bosses going out on a moose hunt at about what would be one hundred miles north of Banff. We got a moose and a deer, but while we were out there, it turned very cold. It got fifty below zero, I frosted an ear, decided I'd gone too far north and headed back for Colville where I worked in a sawmill for a time. Came over to Seattle wanting to go to Alaska, to work in Alaska for a summer—it was in March, I believe—couldn't get a job anywhere. In 1929, even though the stock market hadn't crashed, elements of the Depression were already showing up.

I was told everywhere I went that if you went to Alaska without a job, you just starved, so don't go unless you can get a job before you go. After a week or ten days of looking around I decided to go back to Colville, went back to work on the same ranch again. Love of that country still grew on me, but I really did plan to go to Australia. I still had the bug and I wanted to wander some more. I had my passport picture taken, which I incidentally still have, but I didn't have a birth certificate and when I wrote back to Missouri, where I was raised, they told me they didn't issue birth certificates at that time. So I had to get an affidavit from the doctor that delivered me and from my father. By the time I got that, it was getting into late October and the person I was working for talked me into leasing his ranch and becoming a farmer.

Well, leading up to how I got into politics, when I was settling up with the clerk, spending the money I'd borrowed, I think it was \$1,100 and the few dollars I'd saved up during the year of working on the ranch, he told me that if I was going to be a farmer I had to belong to the Grange. All farmers there belonged to the Grange. So, I joined the Grange, and a few months later they appointed me lecturer to fill out the term, and a

year from the time I bought the cows, I was elected master of that Grange, and I got involved in some of their work. But one of the sidelights—I mention this because I've been involved in tax administration, planning, and inventing new taxes you might call it—the question came up, we should have a debate.

They wanted a debate in the Grange, and they decided the debate should be on the question of whether the \$300 exemption allowed in the property tax assessments for head of a family was fair or whether single people with property ought to be treated the same as married people. I was single at the time and so was one of my buddies, who became a long-time leader, a long-time Grange activist, Joe Garvey. We took the side, the position, that it was unfair and should be either extended to all taxpayers or repealed. The county assessor, the deputy assessor I guess it was, and another party defended the present system. This caused me to get really down and study the property tax system, which was practically the only tax system we had at the time. We won the debate, but the Constitution still allows the exemption only for heads of family. Both of us got married and the crusade stopped from our standpoint at that time. However, I did get quite interested in the Grange and they were very active in various causes of the day.

My first participation was as a local person involved in the campaign to get the Public Utility District law passed in the 1930 election, about a year after I'd joined the Grange. This carried, although there was no immediate activation of the Public Utility Districts, but it was a political victory. In 1932, the Grange collected signatures and initiated the campaign to put a net income tax into our law to replace part of the property tax, which was considered too heavy a burden. In the same election, an initiative was put on the ballot to establish what we then called the forty mill limit, a constitutional limit that would limit property taxes to two percent of the actual value of the property.

During the time that the Grange was getting into this campaign, A. S. Goss was the Grange Master, a very able person and one who had contributed quite a lot during the twenties and even into the thirties to legislative activity in the state as a Grange representative. He called me up along about the end of August and said, "Can you get somebody to milk your cows? I want you to come over to Seattle and help us campaign for the income tax." He said, "We have lots of support out in the rural areas but we don't have Grange members in Seattle and we need somebody full-time here trying to explain to the people why we're in this campaign." I said, "Why pick me?" I'd spent a week in Seattle, didn't like any of it. I came from a rural area, and I'm a farmer, what can I do? He said, "You come on over here; you'll find something to do and we need to put some effort into this campaign here."

So I found a neighbor who would milk the cows for the cream he got out of them. Actually, you

couldn't milk fast enough, hardly, to make fifty cents an hour, with butterfat at thirteen cents a pound, so I went to Seattle. And, for six weeks before the general election I campaigned in Seattle, five or six meetings a night, always talking, maybe not more than five or ten minutes but just asking, knock on the door, "Can I have five minutes at this meeting to talk about the income tax?" There were many meetings; there were people unemployed all over, nothing else to do but go to meetings.

You might get a little historical note out of the fact that it was the election when Vic Meyers, having run for mayor of Seattle, at the instigation of a couple of reporters of the day, decided he kind of liked the idea and he went down to Olympia to file for governor, but that cost \$60, so he said, "What have you got that's cheaper?" and they said, "It's only \$12 to run for Lieutenant Governor," so he took that, and surprising everybody, he got elected.

I remember when I'd go to these meetings, one of the big issues of the day was Prohibition and of course there was an effort to repeal it, which was successful later, but anyhow, the big question of every candidate was, "Where do you stand on the Wet and Dry issue?" And Vic had a great way of putting it, he says, "I want everybody to know where I stand on this, I'm wet, my wife is wet, and our baby is very wet," and that always got a big laugh. And that was about as far as they went with the discussion with Vic then.

Well anyhow, I had a little bet during the campaign. The manager of the campaign, a lady, Helen Dahl, was just sure we wouldn't carry Seattle and after I'd worked a week or two, I told her, "We're going to carry it for the income tax." She bet me a pair of gloves against a box of candy that we would not carry it, and we carried it by a substantial vote and I got a new pair of gloves out of it. Everybody says, "Well, if you passed the income tax why don't we have one?" And of course, what happened, several months later, the court ruled that the constitutional amendment did not permit a graduated net income tax and threw it out.

After the campaign was over, which was early in November, Goss asked me if I'd stay on and be a lobbyist for the Grange in Olympia. But we had to do something during the Interim, so he sent me out with an old Grange deputy; we all called him "Dad" Waters. He was about seventy years old, had been a Grange organizer for a number of years, and previous to that, had been a Union organizer back in Chicago, but had got run out due to some of the labor problems of that time and had settled in Washington and had farmed for a while. So he had become an organizer of Granges. So I went out with him and he was a character to remember. We made a Grange meeting about five out of every seven days of the week and they got a double dose because I learned early, that if I was going to talk I had to talk first, because when Dad got started, he didn't quit; he went on and on. But he had a lot of good stories. He wouldn't have been very acceptable today because he was quite a

tobacco chewer and his spitting accuracy was not too good, so there was a lot of fun about that. But he told lots of good stories; lots of good stories before the meetings or during the meetings and after the meetings and the people liked that.

Some of them were stories that I've repeated from time to time since, to make a point; every story made a point. For instance, there was a time when we were very concerned, very concerned about the fairness of finances generally with the loaner, the borrower, and so forth, and the feeling that farmers, at that time, were contributing a great deal more than they were being paid for in the way of efforts and production and wealth of the country. He told a story of a trip he took, horse and buggy days, down through the Columbia Basin; drove all day, horse was lathering, salt-flecks drying on the harness. Finally, after hours, came to a place where there was a little cabin up on the hill and a well down by the road with a pump there, and he stopped to water his horse. There was a bucket hanging there and a cup and so he pumped and pumped and pumped and finally got a little stream running and he got himself a cup of water and drank that. Then he endeavored to pump enough water to water his horse, but it seemed like the harder he pumped the less water he got. And he looked up the hill at the cabin, there was an old gentleman sitting up there in the shade of the cabin, and he was apparently not very much concerned that Dad wasn't getting any water, so Dad shouted up at him and said, "What's the matter, if you're going to have a pump down here by the road, why don't you have it so it will pump? I've been pumping for a half an hour here and I can't get enough water for my horse." And the gentleman up on the hill shouted back at him and says, "Don't worry, that pump's working all right. You just keep pumping; when you've pumped that bucket full for yourself down there, you will have pumped me two barrels up here on the hill." And he used that as sort of an illustration of what was going on with the times.

1932 was really the depth of the Depression in the sense that nothing had really been done that helped much toward reviving the economy, until 1933 when the efforts really began. The Roosevelt efforts on the national level, and in the state of Washington, with the election of a new governor, and virtually all new legislators in the House, half the Senate changed, the '33 session became an extremely interesting place to be involved.

A new tax law was only part of the problem. A lot of changes were made then. The Showalter Bill was passed for schools, which increased the state's apportionment to schools. The gas tax was amended to give support to the county roads. A formula for distribution was devised, which I had quite a hand in, that set a certain percentage for each county. A Highway Commission was formed. The tax on gross business was passed.

Toward the end of the session, Roosevelt was inaugurated. In those days the President was inaugurated in March rather than January. Only two or three days after he was inaugurated, it seems to me it was around the

10th of March, he closed all the banks. Well, this created a special problem for Charlie Hodde. Charlie Hodde had planned to be married a week after the session was over. The banks were closed and even though he had saved some money and the money was in the bank, he couldn't get the money out. His wife, Helen, his wife-to-be, Helen, lived in Iowa, and she also had saved a little money but she couldn't get her money. A telephone conversation made it evident that unless Charlie could stir up some money somewhere, the wedding couldn't be held because we had to be in the same place to get married. One of us had to make a trip.

I went to A. S. Goss with my problem. Goss had been concerned, as had old Dad Waters, that I never seemed to be having any girlfriends, and they couldn't quite understand why a twenty-four or -five year old guy wouldn't get some interest developed. When I told him I was already engaged and planned to be married but hadn't said anything about it, he really got in to help, and he was able to convince a person he was acquainted with who was the Vice President of Milwaukee Railroad, that they take a Grange check, give Helen a ticket back in Sioux City, Iowa and ten dollars in cash, and she'd get on the train there. In the meantime, I borrowed fifty dollars cash from the manager of the Grange wholesale, who for some reason had had enough foresight to have some cash locked up in a safety box for his use. So, me with fifty dollars and her with ten, she got on the train, I drove to Spokane and met her; we went up to Colville and were married. A sign that sometimes, even in those days, in the Depression, people in love did things that are sometimes considered by their parents as being a little bit foolish. Anyhow we stayed married for forty-five years before she passed away.

Having got married, we did plan a little honeymoon trip down along the Oregon side of the Columbia River, which was the best highway in those days. But being pretty short of money and having a couple of flat tires before we got to Ritzville we stayed all night there and decided to take the short route through Moses Lake. We stopped in Moses Lake and one thing we never forgot was we stopped there, and at that time it wasn't Moses Lake, it was a little town called Neppel, and there was a little hotel and two or three little stores around. The thing we remembered about it was that we ordered a steak, which was only at that time less than a dollar. It was the toughest steak that we ever had before or since that time; we never forgot Neppel. Its distinction was the toughest steak we ever had; we absolutely couldn't eat it. We had one more flat tire but made it to Cle Elum, stayed overnight and the next day we got to Seattle, had thirty-five cents left between us. We already had rented an apartment so we went to bed, got up the next morning, Helen took a nickel out of that thirty-five cents and went down and bought a paper and the headlines said, "Banks Open Again." So we got off, we got some of our money, we got going and we stayed in the Grange work until summer before we went back to the ranch.

A little bit more about the politics of that day. With the close of the session in 1933, in March, I was married

but I stayed on in Seattle and worked with the Grange for a while. One of the chores that I was asked to do, and I'll call it a chore because a question of that particular time, of course, was the repeal of Prohibition. The Congress submitted to the states the question of ratification. Anyhow, to make a long story short, Prohibition was repealed, the Eighteenth Amendment was repealed, and so, to do that we had to have a convention. As far as the state of Washington was concerned, we had a campaign and there was a Wet ticket and a Dry ticket. Of course, you elected these people and then they would vote whether this state would ratify the federally referred amendment to the Federal Constitution. It was pretty hard in those days to find people who would be on the Dry ticket, and so the Grange having been in favor of Prohibition generally all its career, all the last twenty years, was asked to furnish a candidate. Brother Goss had learned that Charlie Hodde didn't drink and without going into particulars about it, he asked me if I would be a Dry candidate. I said, "Sure, you can use my name." So that was my first political campaign.

Well, we didn't put a lot of effort into it, made a few speeches, went around, supported our position, and were very roundly defeated. The so-called Wet ticket carried everywhere. People had become completely disillusioned with the way the Prohibition law was being enforced and out it went, so that was my first state-wide political campaign. Most people that were on that ticket, the Dry ticket, very rapidly were forgotten; nobody ever threw it up to them again. But again, it was interesting to see what the trends of the day at that time were.

With the repeal of the Prohibition Amendment, it became necessary for the state to have another session of the Legislature. Special sessions were not very frequent in those days but we had one starting in December, which we generally call the "liquor session." But with the Supreme Court having kicked out the income tax, and many other problems of the Depression having surfaced, the session was not confined solely to the matter of setting up a liquor system. I should mention that the Steele Act which passed at that session, got its name from a Thurston County senator name of Steele, who was chief sponsor of the bill and we did set up a state liquor control system to bring back and get in conformance with the constitutional amendment of the Federal Constitution.

An interesting sidelight to the 1933 special session, held beginning the 4th of December in 1933, was the fact that on the 5th of December the federal constitutional amendment to repeal the Prohibition Act became effective. Of course, a great deal of time was spent during that session deciding how the state would handle the liquor, but the interesting sidelight was that December turned out to be just, if not the wettest, probably near the wettest year that Olympia ever had. I was staying in a little upstairs motel down in downtown Olympia, I

believe it was called The Olympic Hotel, not The Olympian, the big one, but the Olympic, just an upstairs hotel. The whole downtown part of Olympia at that time was heated with a central heating system and the heavy rains and the high tides and the big wind that came up and so on, caused the water to back up and make the heating system completely ineffective, because the pipes that traveled through the large sewer ducts around downtown apparently became submerged in the cold water and no heat got to the hotels. So we pretty well lived wrapped up in blankets at night waiting till we could get back up to the Capitol where they had a central heating system and the Capitol was warm.

One of the evenings, when we were huddled around in the lobby around midnight, an old senator, I don't recall his name right now and maybe it's just as well, he was a gentleman who had never had any moonshine to keep in touch with how liquor affects your living and so on, but one of the things that was occurring was that people that were fostering the liquor side of the campaign that was going on, would arrange for tasting parties for legislators, and he'd been to one of these in which they tasted various kinds of wine, trying to get an understanding of what the situation . I think in his case probably very honestly doing so, and evidently, some other kinds of liquors as well. He showed up about midnight down there and if you didn't know it before, you knew then, that mixing your drinks was not the way to develop logical thinking. For about an hour some of us sat around the lobby there listening to him and practically screaming with laughter. By the next morning with a few cups of coffee he was back to his normal self and very sedate, but we got quite an exhibition at that time.

Another story that I think is very interesting, one of the things that we were working on, that the Grange was quite interested in, during the '33 regular session was the establishment—and it may have carried over into the '33 special, I don't remember too clearly about the exact time of these occurrences, but it was during the '33 or '33 special—we were talking about setting up the State Highway Commission. There'd been a lot of argument and discussion of this in the Granges around the state, and the Grange's position was that the Highway Commission should be elected. The highway people, the people that were generally interested in highways, preferred an appointed commission, as did Governor Martin; he wanted to be able to appoint the commissioners.

An old gentleman who'd served in the legislature from way back, 1911 or so, quite a Grange member, was George Denman. He came from the Colville district, but he, of course, lost in the election to a Democrat during the '32 campaign. But he was so sure in his mind that the state could not operate properly without his presence that he paid his own expenses and came over to Olympia to try to help influence legislation. He sat in on the meetings that I was representing the Grange at with other groups and trying to agree on what would be the basis for the Highway Commission. We were outvoted almost unanimously by everybody else represented

there, that it should be an appointed, rather than an elected one. Elected would have deferred some operation, made it later and harder to get going and so on, so I had decided the Grange should go along with the majority and Denman was very upset with me. Well, he was not officially representing the Grange; he thought his position ought to be recognized as the proper one. I remember saying to George, "George, I agree with you theoretically at least that it ought to be an elected commission, but you can see that we're only about one out of ten in the organizations represented here, and I think that we have to go along with the majority and admit that it's possible we're wrong. Maybe appointment is the right way to go." His response was, "Charlie, I've been in the minority a lot of times, but I've never been wrong." And I've always thought of that as being about the ultimate in egotism.

But George stuck around for a lot more years, he never was in office again, but probably twenty years later, when George was up in his nineties, I was attending the Democratic picnic in Spokane. George Denman had been a Republican in the Legislature but in the years that he served, in the twenty years from 1910 to 1930, if you weren't a Republican in the state of Washington, you rarely ever got elected to anything. The Democratic Party had been so weak in the twenties, that they very nearly lost their status as a major party. The law requiring that a party, to be a major party, and have their names on the ballot, a column on the ballot, as of that time, had to draw at least ten percent of the vote. In one of the primaries the Democratic Party got very close to the ten percent, to give you some idea. Of course, there was a complete turnaround then with the Depression and the 1932 election.

But anyhow, George was fairly progressive, but one of the things he'd been involved in very early was the sponsor of the Initiative and Referendum Law in the 1911 campaign, the '11 Legislature. I was at this meeting and I thought I really ought to say something nice about George; he'd been an old timer for a long time, and even though he and I didn't agree on a lot of things, and I thought that he was kind of a spoiled creature in a way, intellectually, I thought I'd say something nice about him; so I told the crowd that he was there and that he'd been a sponsor of the Initiative and Referendum, a system that the Grange had frequently taken advantage of to get some things done that they couldn't get done through the Legislature. So I thought I'd done a real nice job, so after I got done talking I went over and sat down by George and George turned to me and said, "You know Charlie, I've been a long time reaching this conclusion, but I kind of think I made a mistake in 1911 in supporting the Initiative and Referendum." You'd say, why did he change his mind?

Well, the Grange was the first, really, to use it substantially and accomplish things, or try to accomplish things with it. By the time of this period of time, which was getting up into the late forties, it had been used by

private power companies to try to restrict the activities of PUDs and people that were not favoring the programs that the Grange favored, they found that this was a way they can also get legislation passed, and so George had decided that it probably would have been better if we'd have left it to the judgment of the Legislature and I suppose there are people who would still argue to some extent that that's true today.

One of the things forced upon the '33 session was change in the way local roads were supported. The local roads had largely been supported by the property tax; the only state money going into local roads of the sort were what we call the farm-to-market roads. A certain amount of money was allocated to the county for use specifically on certain roads, which were, you might almost call the sub-state highways. They were engineered and designed by the state and the only money, the only thing you could use your highway money for then was for these farm-to-market roads, so-called. With the forty mill limit's passage and the sharp reduction of property tax monies available, the Legislature decided that some gas tax money had to go to the counties for support of common roads. There'd been a Road and Bridge Tax which was repealed by the forty mill limit and so there was all the usual struggle going on about how do you decide about how much goes to each county. All kinds of formulas were proposed: the number of miles of road, but of course, there are a lot of counties with very small populations that had a great many miles of road, and then there were other criteria suggested: the amount of valuation or everything of that type. But they couldn't reach any agreement.

I was at church one night with Tom Hedges, who was a prominent Granger and had been appointed to the Tax Commission by Governor Martin, and while this wasn't in their province, he was interested in it because he came from Douglas County, one of the small counties with lots of road in proportion to their valuation or income of any other basis. We had a local, I guess it'd be a road supervisor here in Olympia, that had access to a lot of equipment and so on that also been . . . his name was McKay and he later was Mayor of Olympia, but McKay and Hedges and I got to be good friends and we were talking about this after church. I told him that I had a solution to it if they wanted to hear it, and they suggested that I discuss it with them, so we went up to my hotel room and we sat there for an hour or two. What I proposed was that we set up a percentage for each county which would be derived by taking the percentage that their farm-to-market road money had been and the percentage that their property tax levy for roads was of the total amount levied for roads in the state, and put these two major items together and then express a division by the basis of the percentage that each now had of the total road money available, or had had in the previous year. We had proposed that we not tell them how we derived the formula, but merely submit it as a solution. We talked with some legislators and they agreed to do this; we gave them the percentages. Now, what had been happening was, every time a formula was

proposed, everybody, no matter where they were from, would figure up, "Does this give my county more or less than they've had?" and it always came out that quite a few of them got less, some got more, so they never could get agreement. When this formula was put into bill form and introduced, everybody did the same thing and they all came out within just a few dollars of being exactly what they'd got before. By that time, they were convinced that they just better take this because otherwise they were probably going to end up losers rather than gainers. So the bill passed both houses without any exposition, really, about how the percentages were arrived at, and that, actually, was the basis for distribution for almost ten years after that, before they finally agreed on a formula including such things as school bus miles, and other formulas to come up with a division of the gas tax.

Another almost forgotten part of the '33 Legislature, which had a lot of significance at that time, was the so-called Showalter Bill. Showalter was the Superintendent of Public Instruction at that time, and he wanted to improve and increase the amount of money going to the school districts, improve the allocation and increase the amount of money going from the state to support local school districts. Going way back to 1896 or about that time, a gentleman by the name of—a member of the Legislature—name of Rogers had proposed a bill that gave the school some support starting out with five dollars per student per year, just on a flat basis for all those people in grade and high school. This had gradually been increased over the years until by 1933 this was at twenty dollars per student per year without any other real qualifications except that they were enrolled and in school.

Showalter came up with a proposal, which was more complex, required more money, but his proposal was that the payment be made on the basis of twenty-five cents per day. But not that simple really, because a day in school in the first eight grades was to be called one day, for that you were to get twenty-five cents per student per day. But if you were a junior high school student, then you counted each day as one and one-fifth days. If you were a senior high school student, you counted as one and two-fifths days. If you were in kindergarten you got a half a day for each day's attendance. And to make it even more, well, you might say ridiculous, but complicated anyhow, all of the costs of transportation that were allocated were changed into attendance days. So each school district came up with you might call a computed days attendance and then were paid the same amount of money per day's attendance, which meant, of course, that they got more cents per day in high school and junior high than in regular school, and less in kindergarten. This twenty-five cent figure was the objective; however, it was agreed that there'd be a pro-ration of any amount that the appropriation provided that it was less than the twenty-five cents. And it developed that what really was paid out in the first two years of operation was about sixteen cents per attendance day.

The new system was also designed to, in effect, penalize the districts that did not have at least 180 days of school. There were still some rural schools that, when they were hard up, they'd run for something less than nine months, but actually what the sixteen cents did, rather than the twenty dollars per student that was par before that, it gave a guarantee of \$28.80 per student in grade school, \$34.56 for junior high, and \$40.32 or double in senior high. Had they been able to reach the twenty-five cents which was the targeted, it would have been, in effect, \$45.00 for the eight grades or the lower grades, \$54.00 for junior high, and \$63.00 for senior high. But, of course, the finances of the day wouldn't permit that. But the actual amount received by the schools was something less than the \$28.80 in grade school and so forth, because any absence of any of the students cost the district their sixteen cents a day or the multiples for the high school and junior high.

Another interesting question that arose, it was just almost mandatory the state find more money than could be raised by taxes to support certain relief efforts that were just mandatory almost to keep people from starving. The Constitution at that time said that the state could not borrow or issue debt for more than \$400,000 without a vote of the people. It wasn't practical to wait for a vote of the people to get this money, so a bond issue was proposed for relief, because the Constitution also said this \$400,000 limit could be broken in certain cases, for instance, an invasion of the territory by an enemy. The other one of the provisions was to suppress an insurrection or to avoid an insurrection. This went to the Supreme Court and the Court, which had been very sticky on things like the Income Tax Amendment, supported this on the basis that if we did not get the relief, that there would very likely be an insurrection. Now, this position of the court was probably bolstered by the fact that some large marches on Olympia were held during the period of the '33 sessions when the hunger marchers, as they were called, descended on the Capitol.

Not too long after the Legislature convened in January '33, there was a hunger march on Olympia. Who organized it, how it was put together, I don't know; it may have been more or less spontaneous, but there was a lot of feeling among the legislators that it might have been Communist inspired. My own reaction in talking to some of the people that showed up was that they were really hunger-inspired; they really wanted the Legislature to know that there had to be legislation passed that would give them some money. I'm unsure about how many, but at least a thousand, maybe more, some people thought as many as five thousand, showed up in Olympia with all kinds of old cars and any way to get here. The weather was pretty bad and many of them were herded out to Priest Point Park, which was not very developed, and would try to spend the night. And so this created quite an impression.

I remember quite well that there were patrolmen on every door of the Legislative Building in order to avoid them taking over the Capitol, in effect, and those of us who were regulars or lobbyist members, help, and so on, had to have identification unless the patrolmen had learned to know us personally. So it was like a fortress for a number of days, several days there, while this thing was pending and as it happened. However, as I recall, there was really no real violence. We went back and forth to our place and the hotel and visited with them, but I gathered that their only real purpose there was to be sure that everybody in the Legislature remembered that we had an extremely bad time.

This probably impressed the judges, as well as the legislators, that there was a probable emergency here. It should be noted that later in the session, a couple of months later, early in March, just about the time that Roosevelt was taking office, and just before the banks were closed, there was another march on Olympia. Maybe a little more sophisticated and the weather was good and an effort was made to generate a storm because they were not, at that time, satisfied with what had come out of the Legislature, but this one was a bit different, a little bit more of a selected group that might have caused a lot of concern. But again, they left Olympia. Even though the merchants, some of them locked up, and there were a lot of extra policemen put on, and stuff of this type, but they went back, mostly to Seattle where they came from, without any really great disruptions.

It became quite evident during the late part of the session, when the banks were closed about for ten days during the session as I recall—maybe it was only about a week—a certain camaraderie, particularly among the legislative lobbyists, developed that hadn't been present before. At that time, there were some of us, like working for the Grange, two or three of us, that represented them and many other organizations of this type, and some individuals who considered five dollars a day as a pretty good income. I received five dollars a day and expenses from the Grange and that was about as well paid as many of them were. There were also lobbyists there at that time that represented large business groups or select groups that were better financed and we'd sort of been divided into two classes. Call them rich or poor or affluent or less affluent, or whatever, and we didn't mix too much, but suddenly when the banks closed the guy with the twenty dollar bill found it virtually impossible to spend it unless he spent the whole twenty dollars. So he became, in a way, as poor as those of us who ended up with only a little change in our pockets. A restaurant wouldn't give him change for his twenty-dollar bill, because if they ran out of change, they couldn't deal and so they were reluctant to accept large bills. They'd take five-dollar bills and give change or something like that. Today that sounds like it'd be starvation but actually there were many places at that time where you could eat for twenty-five or thirty cents for a meal and I don't remember what I paid for my hotel room, but probably not more than three or four dollars a day at most. But this sort of camaraderie of hard times developed very quickly when the banks closed.

I should comment that legislators, at that time, did not have cafeterias as we do now, where legislators were served. They had to eat in the cafeteria or carry a sack lunch or go out to the little eating joints close to the Capitol, just like the lobbyists did. Actually, that was one time when you were able to contact legislators, which you might not be able to do otherwise. Just as a comment that might seem strange to people that look at the Legislature today, individual legislators did not have offices of their own; they did not have secretaries of their own. The only people that had a secretary, who was just devoting their time to their particular problem, were the chairmen of the larger committees, the Appropriations Committee, the Roads and Bridges Committee, the Revenue Committee. Other committees might have one secretary that served as a minute clerk, in effect, for two or three committees. This meant that legislators did most of their business either in the halls, at their desk, or in the cafeteria during lunchtime. There was a steno pool, which was available to legislators. If I recall right, in the House it amounted to about fifteen girls, and because all the patronage was political, in effect, they were not the best typists in the world, but they tried. So the legislators could get some help in that matter and getting their mail answered. However, they didn't get half the mail, not even a tenth of the mail that legislators get today. It's sort of like the old axiom that if there is help available there'll be something happen to cause them to have work to do, and at that time when help wasn't available, a lot of correspondence undoubtedly went unanswered, and because the people that write in didn't get an answer, they didn't write a second time, and the mail was held down. I would not suggest, or don't want it to be said that I'm suggesting, the Legislature ought to go back to that basis, but the comparison of then and now is just unrealistic.

All of the legislative activity was in the Legislative Building and actually, virtually all on the second and third floors. In other words, the two house chambers with the committee rooms surrounding them, and the galleries up above, and the committee rooms that surrounded them, that was the whole legislative area occupied.

Even then, there was a telephone station as there is today, maybe not as elaborate, but there were pay phones and a telephone station on the same floor as the legislative assemblies and that is where the lobbyists gathered. While I don't know that I should claim the credit, other commentators of that day claim that I am the one that invented the term that is still in use today when I refer to that congregation area there, where the lobbyists hung out between sessions or during sessions to send messages in and get reports back from legislators, and things of this type. That I called it "Ulcer Gulch," and it's still called Ulcer Gulch today. I think you could understand why it was called Ulcer Gulch because there's where the people stayed and worried what was going on, and that's where we assumed that the ulcers developed for the lobbyists.

In my work as a lobbyist for the Grange in that '33 and '33 special session, I was much more effective because, during the time I was campaigning for the income tax in Seattle, I met and got acquainted with a great many of the Seattle legislators who were elected in that landslide, and because they were running against an establishment that normally would be the establishment that represented the cities, as opposed to the rural areas, we developed a rather good working relationship. Me being from the country and them coming from the city, but not being business oriented, or city oriented in the normal sense, they were ready to talk and visit with me about problems that affected the rural areas.

George Yantis had been a member of the Legislature for one or two terms before the Democratic landslide. He was an Olympia lawyer, a father of the Yantis who served as county commissioner here in Thurston County for a number of years. George was a very able person, but handicapped to some extent by the fact that he was carrying on a law practice at the same time and probably found it rather burdensome to be carrying on the duties of a Speaker in a new Legislature, a Legislature rather where practically all the members were new. There was not a really experienced Democrat, having been only seven or eight of them, I forget the exact number in the thirties sessions, which was still Republican dominated.

A legislator by the name of McDonald from Seattle was chosen as floor leader, an able person, but an inexperienced person. And when they got into a discussion of some of the revenue acts of that day, the Gross Business Tax and so on, a young economics professor from the University of Washington named Harsch, who had helped in designing the tax acts and so on, was given a privilege that has rarely been duplicated since. He was allowed to bring in a chair and sit right beside the floor leader to assist him by giving him notes and whispering conversation to him to keep him on track with the matters that were being considered by the House at that time.

**[Tape One, Side Two]**

Warren Magnuson has to be mentioned as a member who served his first term in the 1933 session that went on to the greatest prominence in Washington State and national politics. During that session, being a freshman, Maggie was not a chairman of a major committee. The chairman of Revenue and Taxation was John R. Jones, "Jackrabbit" Jones of Waterville. Jackrabbit was not very vocal, a long-term legislator of many years, and I'll say a little more about him after I finish talking about Warren. But Warren actually had to carry the ball on the floor for the tax acts, which had to be passed that session, in order to finance not only the state, but to give some assistance to local government for the very bad times they were having. The first B&O tax, the first tax on gross income, was passed at that session and Maggie was the floor leader as far as revenue

legislation was concerned. He had a habit, when he talked, of leaving his chair, which was alongside the aisle about three or four seats from the back, and pacing up and down and waving his arms and really shouting. We didn't have loudspeakers for members, we didn't have microphones on their desks, and so their voice had to be made to carry and it did. Warren did a favor for me; I was lobbying for the Grange and we were concerned about the application of the Gross Income Tax to agriculture. Everybody was concerned, but we thought there were many reasons, including the fact that there were over 70,000 of them and most of them were over just a very few dollars apiece and there might be more than twice, maybe three times as many people to report if you include farmers than if you just included other types of business. The original proposal was that, while it was the general feeling that you could not exempt a certain portion of the income from tax, that you could put a provision in the law that said if your gross is below a certain amount you don't have to report. I secured his approval and he supported an amendment that would change that to say that if the tax computed was below a certain amount, in this case five dollars, that it was not necessary to file a report. Well, there weren't very many farmers at that time that were making enough to have a five-dollar tax, the rate set for agriculture in the bill was ten cents, that is ten cents on a hundred, whereas twenty-five cents on a hundred was the general rate for most businesses, being recognized that most farmers were little more than wage earners if you wanted to compare them. By doing it this way, the farmer got exempt on five thousand dollars worth of income whereas the other guy, the way it was set up, was exempt only on two thousand dollars. When this bill got to the governor, and he looked at the fact that they weren't going to get any money out of the farmers anyhow, he just took a chance on vetoing it and the farmers have not been back in the B&O tax since.

Warren was active in other parts of the legislation, but I remember him best because of his participation in the revenue side of it, which had been one of my major interests even as early as that.

A little bit more about John R. Jones: Jones had served ten years starting in '23, and he was in his tenth year when he started in the '33 session, and there were not very many old-timers there, so he was given more prominence than maybe John even wanted, not being very much of a floor operator. An interesting story about him, he stayed on through the '41 session, in other words, he finished the session starting with '41, and he had twenty years in so the people up in Waterville, where he came from, decided to give him a big party, so they put on a twenty year party for John R. Jones, for "Jackrabbit" Jones, as he was called. He went there and he thanked them and went on and it was only a few days until filing time and, of course, everybody went home feeling like they'd done a nice thing for John. Filing time passed, and John Jones hadn't filed. Somebody meets him and says, "Hi, how come you didn't file for office this year?" And he says, "Well, when they threw that big party

for me I thought I could take a hint that it must have been a sign that it's time for me to quit." However, they assured him that that wasn't what they'd intended at all, and he didn't file right away again, but he did file in the '48 election then and was elected and served another six years after that.

Another Central Washington legislator, first-timer that deserves some mention when you're talking about that era was Ivan Compton of Wenatchee, a Republican. One of only two Republicans who were first-termers in the '33 session; all the other first-termers were Democrats because of the Democratic landslide of that time. Ivan was a very prominent farmer, fruit grower in Central Washington, and was later on a P.U.D. commissioner; he worked closely with The Wenatchee World, who was pushing for development of the Coulee Dam in the Columbia Basin. Ivan continued to have a big part in that for about forty years after that before he retired as a P.U.D. commissioner and sort of dropped out and has passed away since. But Ivan and I worked on many projects together over these times and even though he was no longer a member of the Legislature he contributed a great deal, particularly to the irrigation and power development in the state.

The other Republican who was elected a first-termer at that session was Richard Ott—Dick Ott from Ritzville. Dick was a young lawyer, not as young as me, but he'd not been in practice too long, and actually had become quite successful there and he got elected to the Legislature. He stayed two sessions, '33 and '35. I can't recall offhand whether he was beaten or whether he'd just elected to quit because his law business had gotten so good. He also became quite a big farmer; he had a little income from his law business and he told me that he acquired a considerable amount of the land that he had, wheat land largely, from people who were bankrupt, who would come to him and say, "Look, I'm going to pull out, there's no possibility of me ever paying my debts," and in a few instances, a couple instances, Dick said, "Well, if you let me take it over I'll give you five hundred dollars," that was more than they ever expected to get out of it anyway. They'd take the five hundred dollars, sign their obligations over to Dick and he was able to make the payments and keep that thing alive until the market came back and he became a wealthy man. He never was one to flaunt his wealth; you might have thought he was still kind of a hard-up old farmer, even when he was a Supreme Court judge. He appeared again, a rather interesting story, to me at least, back in the '49 session. By that time he was an older lawyer, of course, as I was an older legislator, and he was lobbying for a bill to set up a new judicial district, which would include Adams County, his home county. He was successful in that and later was elected judge in that district, but the interesting part, from my standpoint, is that in those days they used to have what they'd call a Third House Night. The Third House being the lobbyists. One night during the session, toward the end of the session, the legislators would all adjourn; they'd lock up their desks, put away their stuff, and turn the House

over to the lobbyists. The lobbyists would proceed to elect a Speaker and a Chief Clerk and just put on a mock show of the Legislature, introducing, as you can guess, some extremely funny bills, something that was just built for humor entirely. Well, it turned out that Dick Ott became Speaker Hodde that night, and he came out to the rostrum in an old farmers type straw hat, with a long piece of straw in his mouth, chewing on this straw, and put on an act as a Speaker that was supposed to represent that little farmer from up in Colville that was Speaker of the House. Got a lot of fun out of that and Dick and I were always very good friends. Dick was elected to the Supreme Court later and was a member of the same Lion's Club that I belonged to in Olympia and we knew each other quite well. After he retired from the Supreme Court, he spent some winters in Arizona and would come back to Olympia, but eventually moved back over to Ritzville for his last years.

Most people probably have the idea that over fifty years ago there were not women in the Legislature. Actually there were several very good legislators, strong people, ladies, who served in the Legislature. I think probably the one I remember the best would be Belle Reeves. Belle Reeves came from Chelan County, Wenatchee area, and she served in the Legislature from as early as 1923, '25. Her husband had served in the Legislature in 1915, so she came, even then, as not a stranger. She was also in the '31 session, and then in the House in this '33 session that I'm talking about. She was active there; you'll find bills with her support. They would generally be bills that refer to the same kind of subject matter that men were introducing bills on; this was before the period when any woman in the Legislature felt like she had to be sponsoring some Women's Rights Bill. Belle stayed in the Legislature through the '37 session. At that time as I recall, the then Secretary of State died and Belle Reeves was appointed to serve, fill his term. She then ran for re-election and she was elected, re-elected, and stayed for ten years, actually. I believe Belle Reeves passed away in 1948, as I recall. She leaves a good record on a lot of stuff.

I recall quite well the first session I served as a member in '37. There were so few Republicans left in the Legislature that we didn't have a Republican caucus and a Democrat caucus, which is always generally the case. We had a right-wing caucus, a left-wing caucus, and the right-wing caucus would be the more conservative Democrats, and the handful of Republicans that were left, and the other caucus, the left-wing caucus, so called, were generally all Democrats, but they were fewer in number. This had started clear back in the '33 session that I'm talking about now. I may want to say more about this as we get a little farther along because this division of this type persisted for quite a few years, almost ten years. Just as a sidelight, when I became a member in '37 there were sixteen of us who would not join either caucus and they dubbed us the "Wishbone" caucus.

Another lady, who was a legislator at that time in '33 and had actually served one term in '29 earlier, was Pearl Wanamaker. Of course, Pearl Wanamaker's name was well known by everybody who's been active in this state the last fifty years. She served in the House in '28, '33, and '35. She served in the Senate in 1937, and '39. She then became Superintendent of Public Instruction and stayed in that office for a number of years.

One of the legislative items that I think I've mentioned earlier, that was of considerable importance in this '33 session, was the so-called Showalter Bill, a bill to expand the state support for common schools and develop a better basis for distribution of the state money for the schools. Pearl, of course was very active in that; she was very much the educator as far as support for that type of legislation is concerned, There'll be more to say about that in a somewhat later discussion about the '35 and '37 session, but Pearl Wanamaker had to rank as one of those early women legislators who had a lot of effect on development in this state of Washington.

Lulu Haddon was another lady legislator, from Kitsap County, served in the '33, '35 session and also in the Senate in '37 and '41.

I probably should have earlier mentioned that George Yantis, who was selected Speaker, was not without some experience. He'd been around Olympia a lot, but he did serve the '31 session when there were only just a few Democrats in the House, and then coming back with some experience in the '33 session. Being a lawyer and familiar with parliamentary law, there was really no contest that George Yantis got elected Speaker. George didn't enjoy being Speaker as much as some may have. To him it was work, and it shows up in reading some of the Journals, and as we watched him, he had a very difficult time. It was a tough job. There were more people in the Legislature that had only a foggy notion of what parliamentary law was and how the rules should be interpreted. He had an extraordinary number of requests for rulings come up and one thing that's noticeable if you look at the Journal of that session, was noticeable at the time although it wasn't new to me, I thought it was maybe always that way, there were just any number of "personal privilege" talks made. People would get up and say, "point of personal privilege," and then they'd just start ranting off about anything and then it becomes the Speaker's job to try to get them back in line and get going. So it wasn't the pleasantest job, but he did a good job. George served in the Legislature from '31 through '37, he was out a while then, but he was back in '45 and was again elected Speaker and he served in the '47 session, but more about that later. He, incidentally, was the father of the Yantis that most people know today, who was the former county commissioner in Thurston County. George Yantis had a secretary in his own business, Dorothy Dunn, in his law office. She would come to the Legislature with him as his chief secretary for the Speaker when he was in that office. When I became Speaker, Dorothy worked for me one session and was a great deal of assistance.

A very colorful member of the Legislature, first elected in '33, was George Adams of Mason County. George was a full-blooded Indian and he looked it, and he was proud of it. He would sometimes refer to the other members as the "newcomers" to this country.

I mention some of these people more particularly to show you how long the influence of the members elected at that first session lasted. George Adams was a factor in the Legislature, he served from '33 through the '37 session, he was then out, but came back in '45 and served through the '53 session; so he had in all, sixteen years of legislative service and properly represented his people during that time; he was a very loyal person. As Speaker of the House, George Adams had to start the roll call and we didn't have the electronic roll call machine at that time and so it was important to the Speaker that the first vote called, voted the way the majority wanted the votes done. So George, on occasion, would have to look at the calendar and come up and say, "Charlie, how do we start this one?" And, of course, the Speaker would inform him what the position was and then the roll call starts out and it's George Adams, aye or no according to how the majority's going to go. There are always some people who'd listen for that. George had the lead vote and all the tallies for many years.

W.E. "Bill" Carty of Clark County was a new member in the '33 session, served in the '33 and '35 session, then he was out, he missed election a couple of times, but over a period of twenty-four years, he served twenty-two of twenty-four years through the 1959 session. Bill was not a noisy person but a very effective person to have working on your side, because he did more listening than talking and if you needed to really find out what was going on, he visited with both Republicans and Democrats, and the Speaker found that it was quite often possible for Carty to learn what was going on better than any other member and keep the Speaker informed. I depended on him quite a bit. When Bill passed away at a rather early age, there were a number of outfits that wanted his records for archives because Bill kept, I think, just about every piece of paper that referred to the Legislature for this whole twenty-five year period that he was active in the Legislature. His archival material is now stored at the University over at Pullman.

I earlier mentioned Donald McDonald, the floor leader in the House, who served four years, took a whale of a chore there. The McDonalds have shown up in the Legislature in times since, including one that is in the Senate at the present time that are related to the Donald A. McDonald who served as floor leader in the House in 1933. He had a tough job because as a freshman it was somewhat new to him and I think I've mentioned that he was allowed to have his chief counsel sit beside him on the floor of the House when they were discussing some of the bills, which were very technical in nature.

In every session there have to be members who are remembered not exactly for their statesmanlike conduct or success, but by the fact that it does demonstrate that the Legislature is a pretty good cross-section of the public generally. People might get the idea that when people run for office that only those of a certain character are able to get in. Fred Schady from Spokane was elected and it might have been very difficult for Fred Schady to get elected in another session, but he did make it in the Democratic landslide. He added some humor throughout the session. He was inclined, you know Prohibition had just been repealed and there was a time when it seemed to us that were on the wings and watching in that Fred was trying to make up for all the lost time that he had served, being about forty-five years old during Prohibition, because some of his remarks were not always as polite as they might be and he sometimes gave the impression that he might be under the influence of alcohol to a certain extent. Not intending to be a lecturer in favor of Prohibition, but there were a number of members over the years that were embarrassed by the fact that they weren't able to handle their liquor in Olympia. They probably did very well at home, but when it was free and there were lobbyists, not every lobbyist, but a lot of lobbyists were offering it anytime and every time and everywhere, even maintaining a little Committee Room X out in the hall on the third floor where they kept a bunch of liquor stored so it would be readily available. This did undermine some.

Another one who had some problems of this type was Myron Titus. Now Myron Titus, from Seattle, was in the '33 and the '35 sessions, and quite a bit of good legislation bears Myron's name. However, he has been recorded in some other historical recitals as being the one who injured an Assistant Sergeant at Arms rather badly when this Sergeant at Arms, on instructions of the Speaker, attempted to quiet him and remove him from the floor for refusing to listen to the Speaker and take his seat. Myron did tend to get overly excited at times even though he was not under the influence of liquor and you were treated to some pretty hysterical shouting, at times from his particular corner.

A person with quite a bit of experience and a lot of activity in the '33 session was E.F. Banker from Okanogan County. Banker had served in the Legislature from 1917 through '29 and then was elected in '33. A Democrat, and unusual for a Democrat to have had that much back history in legislative activity during those years, when the Republicans were in control of practically everything. Banker was very active in all the ideas related to the Columbia Basin, introduced the bill and got it passed, that set up a Columbia Basin Commission, which was really a state-authorized and funded lobby organization to get the Columbia Basin developed. It wasn't referred to that way; it was called a public service group, but basically that was their purpose. They were headquartered in the Columbia Basin area and their people were picked particularly to foster that project.

They had excellent support from newspapers generally all over the state and most particularly in the Wenatchee and Columbia Basin area. Banker was a slight man in stature, a good talker, loved to lead, if you want to call it that, however as soon as the regular session was over, he took an appointment from Martin as the head of the Department of Conservation and really moved in as an administrator in the same area in which he had been very prominent in the Legislature.

Harry Huse of Spokane had some experience; he was in the '31 session, as I recall, he served through the '33 session; you'll see him, his name in the reports of that period. However, he also resigned after the '33 regular and was appointed to a director position; I believe it was Director of Licenses by Clarence Martin.

The paper of those early days of the '33 session all carried stories about C. "Nifty" Garrett. He decided—he was a Senate member of that session—and he decided that the Democrats having won that their symbol should be recognized all over the country and he saw to it that it was. What he did, he brought a donkey down to Olympia and he rode it from the Olympian Hotel, downtown, up Capitol Boulevard all the way to the Capitol, and up the Capitol steps. That's the way he entered the Senate in 1933. He did other things while he was in that session, but nothing else got the kind of attention that Mr. Garrett got with his donkey, riding up to the Capitol.

There were a number of other members in the Legislature that get remembered for various things, but I want to mention Dan Landon, who was a Republican senator from Seattle. One of the things that we were having a great deal of trouble with in those days were foreclosures of property along newly constructed roads or roads constructed a few years before that were financed by what we would now call local improvement district assessments. The closer you were to the highway or the main road, the more it cost you and the assumption being that you benefited with it and the price of your land went up. In fact, the case was that it might have hurt your values more than helped them, to have the increased number of automobiles, even at that date, going by your yard or farm. Dan Landon was trying to solve this problem for the benefit of the people along Aurora Avenue in Seattle. Many of them were in the process of losing their homes because of these assessments. The thing I remember best about him, and not the fact that he did have some success with this, but that he had probably the strongest (loudest) voice of anybody in the Legislature. When the Senate doors were open, which they occasionally were, and he was talking and you were out in the lobby under the dome, he virtually, actually made the dome ring as if there were a big band playing. It seems impossible, but he really put his all into his debate on the particular issue at least. My recollection is that they were successful because it was not only the Aurora Avenue, but there were other highways even as far out as Walla Walla, where there were these kind of assessments were levied to help support the construction of these main through roads. Dan Landon only lived until December of '33; he died I think it was right at the start of the '33 special session.

Another fellow who served only one year and also a Republican for one term, a Republican . . . now wait a minute, I'm not sure of that, but he was E.N. Steele from Olympia. E.N. Steele would not be so well remembered as a legislator except that in the '33 special session it was E.N. Steele that was given the chore of sponsoring the new liquor control legislation and even today it's called the Steele Bill. Probably not very many people know what Steele means, whether you're stealing something, or it's steel-hard or what, but it's really named after E.N. Steele the senator that served for Thurston County in 1933.

I have a little personal interest story about Steele and some activities I had with him later. In later years, after my legislative service. I served a short term, several years, as director of General Administration. It was during the time when we were seeking to expand the State Campus to the area where the new buildings are today, across Capitol Way from the main legislative building, the Temple of Justice. In order to get it done as fast as it needed to be done—and maybe more about that later—we had to negotiate purchase of quite a large block of housing on that east side of Capitol Way. Most of it went rather successfully, but when it came to Mr. Steele, ex-Senator Steel's house, which was rather in a key position, he just plain said that he was an old man and he didn't have any desire to move and he didn't know any good reason for him to sell his house, that money wasn't a good reason to do it, and the negotiator didn't have much luck. So, as the Director, I decided I should go and see the Senator. Now, I got the same story, but I visited with him quite a bit about it and I went back a second time and I explained how we had to get these buildings up because the court had given us an order to bring all this headquarters staff of the various state agencies back to Olympia, the State Capitol; the previous administration had located a number of them in Seattle and the court said they had to come back. Well, Steele was sort of a loyal Olympia person, Thurston County person. He had a home out on the bay and he called me up one day when I was just wondering if I was going to have to file condemnation actions against him, which would probably take a year or longer, and delay our project, and he called me up and he said, "Charlie, there's only one good reason that I can do this and I'm going to do it because you've convinced me that you're honest about this and that all you want to do is to do what the state needs. I don't like to do it, but I'll move out to my beach home and you can have my house." So, we bought it at the appraised price and we got that part settled.

As a lobbyist for the Grange, I naturally had quite a bit of interest in Grange members that were in the Legislature. Two that I remember quite well because we often called upon them for that support when we had matters that were of interest to agriculture, Ralph van Dyck was a member from Whatcom County, and actually was in the Legislature for eight years. Although Ralph was, in effect, a member of the left-wing group, he was nevertheless, quite a sound thinker, and in the case of agricultural areas of interest, he was a lot of assistance. He

was a good looking, young guy, and seemed to get along well with people. He was active in the Grange at home as well as proclaiming himself as a Granger in the Legislature. So, we got a lot of help out of Ralph on public power questions and many other social questions of the day. Only occasionally did we find ourselves unable to go along with him because of his tie-up with maybe a more generous approach to things, such as old age pensions and a few things like that, than the Grange at that time was willing to go along with.

The second member to mention in that regard was Mark Nelson of King County. Mark, a bit more conservative than Ralph, but a son of a member who'd been a member of the Executive Committee for the State Grange for many years, and a nephew of Fred Nelson, who at one time served as master of the State Grange back in the twenties, which wasn't so long ago when you're talking about the '33 session. So, he was certainly well-versed in Grange programs and the Grange, what they wanted in the way of the Legislature, Again, Mark Nelson helped us quite a bit in many times when we had matters up that the Grange was interested in.

Robert Waldron was a member of the '33 session and became Speaker in the '35 session, and stayed through the '37 session. I mention that because while he had a fairly active part, he didn't happen to be closely engaged in the matters I was most interested in.

Another long time member who served many years afterwards was A.E. Edwards from Whatcom County, who was in the '33, '35 sessions and then went to the Senate for '37, '41, '45, '49 and then, back to the House for '55 and '57. So, altogether he had a long period of time and while again, not a noisy or a noted leader, he contributed a great deal and carried a lot of background through all those years from '33 through '57 that was a lot of assistance to people in understanding what went on.

Of some interest maybe, are the people who were unusual and should be mentioned for that reason if nothing else, but I mentioned in an earlier script that a certain member Robinson had been kicked out of the House because of some conviction that he had had before he got there, related to child molestation. Ed Miller replaced him. Ed Miller made the statement on several occasions, when he was asked, if he wasn't concerned about what his constituents would think about some of his actions, that he only had two constituents. The main constituent of his was the guy, "Radio-Speaker" Stevenson. He was called Radio-Speaker because he was an announcer on the radio for a time, but he was at that time County Commissioner of King County, and he ran as Radio-Speaker Stevenson because of the publicity he got and he got elected county commissioner in 1932. So, he was instrumental in getting Miller appointed and so Miller's position was that only Stevenson, and the other commissioner who had supported Stevenson, were his constituents. However, he did serve a term in the Senate later and was, generally speaking, a fairly liberal senator, but maybe not, would we say, as arrogant a senator as he was a House member.

I've earlier mentioned a number of things that were done during the '33 period, but I'd just like to sort of summarize some of the legislation that I was most interested in at the time. This doesn't mean that there were not very many other important bills. I've mentioned the Columbia Basin Commission, one of the main objectives of that day for two reasons. One of the main objectives was to get the Grand Coulee Dam under construction and the Columbia Basin Irrigation Proposal implemented. Just as a bit of history that many may not know, the Grange had more to do with getting the Coulee Dam started than most people have any idea. Franklin Roosevelt had been elected President and Franklin Roosevelt; just to be honest with you, I don't know whether he was sure there was a state of Washington. He learned really quickly. But he did learn to have a lot of respect for the then master, A.S. Goss. A.S. Goss became quite an advisor to President Roosevelt and was in Washington, D.C. promoting the development of the Columbian Basin by the building of the Grand Coulee Dam and getting it started. But Roosevelt was ready to go as far as doing it as a work project, but the size of the project sort of staggered him. So he came up with an alternate proposal that they build a low dam at Coulee which would be, in effect, a power dam only and postpone, maybe for a generation or two, the construction of a large dam and storage reservoir that would be necessary for the irrigation project. Not being able to get any more than that, Goss told me this story himself, he said to Roosevelt, "Would you go along with a foundation that would carry the large dam so that it could be completed later?" That sounded to Roosevelt like a reasonable proposition so he agreed to that. Actually the Coulee Dam was started, basically, without Congressional authorization, a very unusual circumstance, as an emergency work relief project. I was down at the dam at the time they were just drilling test holes, and at that time we were a little disappointed that we were looking at only a low dam, but glad to see something get started. Before they were even through excavating, and I'm not making this tale of Grand Coulee but they ran into some extensive problems, they had to freeze one whole side above their excavation to keep it from caving in on them. They did lay the foundation for the big dam and before it got any further than that, the Congress authorized the construction of the large Grand Coulee Dam which would have with it, as part of the program, the development of the Columbia Basin.

You'll find throughout the '33 and later sessions, almost always some legislation that has to do with the development of the Columbia Basin or the irrigation system generally or irrigation districts. One thing that came up in the '33 session and you might say, why do you want to develop more irrigation districts? A number of the irrigation districts were just plain going broke; they'd issue bonds, I recall that Sunnyside was one of them, there were two or three up in Okanogan. There were a few like the one over in Walla Walla County that had gone bankrupt and you'd drive by there and there were just the dried up ditches and the abandoned pumps

or whatever there was to it. But most of them were still running, but they were not able to make the payments on their bonds. Through this period that was taken care of by the passage of some amendments and the creation of a Reclamation Fund from which the state could buy these bonds at a discount and they could offer, in other words, twenty-five cents on the dollar and buy up all the bonds. The people who had the bonds had little choice, it was twenty-five cents or nothing, and these were successful irrigation districts with this reduced capital costs, and they did get back in business and they made a go of it.

Of course, in that period of time there was quite a push to do something about an old age pension, something for people that were old and had no other resource. Certainly not as liberal as we think of things like social security today, but they did pass a bill to set a minimum pension, minimum, maximum, whatever, of thirty dollars a month for people who could qualify, which meant that they had to be virtually destitute and without work.

There were many efforts during the session and they carried on into the '35 session, which I might talk about later, to avoid foreclosure of farms and homes and so on, for property tax payment that they were not able to make. Several types of legislation: forgiving the interest payments, extending the payments for as long as six to ten years, with maybe six percent interest, as long as they kept their current taxes paid. This appeared in a number of bills by many sponsors during this session. They created state and county welfare boards, which was really the first move to something more comprehensive than just a poor farm.

But there were other things done that had nothing to do with hard times maybe; horseracing was legalized. A legislator named Joe Roberts was sponsor of that and he stayed in the Legislature for several sessions. That was the introduction of legalized gambling because it was horseracing that first was legalized as a place where you could wager on an uncertain outcome. The dog racers were never able to get theirs hung on, although they tried right from the start. The one that I mentioned already to some extent was a brand new deal, which bailed us out and is still with us, was the imposition of the tax on gross income of business, ordinarily called the Business and Occupation tax, or B and O tax. This got its start there but it was not refined and broadened to really what it was until the '35 session, because we fully expected the income tax to be approved, and that beginning in 1934, we'd be getting a major part of our income from the income tax . . . of course, this didn't happen.

There's an interesting bill from an agricultural standpoint in that there's a bill in there that passed to prohibit the sale of foreign eggs in the state of Washington. They didn't want eggs from other foreign countries coming in and being used in the production of egg related products for sale to the public. A protectionist viewpoint,

but the farmers were strong in the Legislature then and we did anything we could to try to create a better atmosphere for that, for their operation.

The State Bar Association was created by law during the '33 session. I mention some of these things because you can see that it was not all just a matter of relief. A ten-million dollar bond issue for emergency unemployment relief was passed; this was the one where the court had to hold that there was an imminent insurrection in order to approve its passage without a vote of the people . . . one that exceeded the otherwise constitutional limit.

The tax on gasoline was raised and new bills were put in which allocated more gasoline tax to counties and cities in order to make up for the property tax they lost with the passage of the 40-Mill Limit Bill.

There was a Chain Store Bill; however, Governor Martin didn't approve of special taxes on chain stores and he vetoed that.

There was a bill passed, which would broaden the cities' authority and allow them to sell electricity outside the city limits, in non-city territory. This was considered quite a change at that time and represented the changed attitude toward public power, which was first exhibited by the passage of the Grange Power Bill, as we called it, really the one setting up the P.U.Ds in the 1930 election.

Just a few more words about the composition of the House and Senate. Only twenty-one members of the House had previous legislative service. There were seventy Democrats and only seven of those had service experience before the '33 session. Nine members resigned before the 1933 special session, eight Democrats and one Republican. Mostly they took state jobs was their reason for resigning. At that time we had forty-six senators and twenty-one of the senators had no previous legislative service in spite of the fact that half the senators were holdovers. There were twenty-five new senators; only two of them were Republicans. Twenty-five Democrats and twenty-one Republicans made up the Senate. There was only one change, a Democrat resigned and a Democrat was appointed for the special session of '33.

There was a Senator J.H. Ryan. J.H. Ryan was actually part Negro, but was, I believe, a newspaper publisher in Tacoma. He had been a Republican member in '21, '23, and '31 sessions and he changed and ran as a Democrat and got elected in '33. He was being chided about this by one of his fellow Republicans during the session and he got incensed about it and he got the floor on personal privilege and he said, "I want to explain why I changed parties." He said, "I'm about my parties like I am my underwear; when it gets dirty, I change it," and that quelled them down for a while.

Some kind of clever little remarks stick with you for many years. Frank Schultz came from the district that I later represented, and his home was at Ione, Washington. When people asked him where he came from, he always said, "I own Washington." And then he said they would respond, "Well, the hell you do, the whole state?"

**[End of Tape One]**

# TAPE TWO

---

## [Tape Two, Side One]

**Mr. Rogers:** This is Jack Rogers; it is my task in these interviews of legislative leaders to lead the discussion of the period covered, to bring out the participation of the persons being interviewed and to highlight his or her part in the important issues of the time. These issues, not strangely, are still with us after fifty odd years: taxation, limitation of taxes, education, welfare, transportation, public power, liquor control, support of state, county, and city government.

Charles Hodde had traced his beginnings in the politics of the state of Washington by collecting signatures in the Grange efforts to help pass a state income tax, and to limit taxes on real and personal property by statute, and in the passage of the Public Utility District Law in 1930, that started this state's public power movement of low cost electricity from harnessing the falling water of the mighty Columbia River. He has taken us into the most dramatic period of this state's history to that date. The historic Great Depression of the early 1930s and the state government's reaction to it with a largely new Legislature and a new political figure in the governor's chair in the person of Clarence Daniel Martin, an Eastern Washington flour miller and businessman and the first native Washingtonian elected to the governor's position.

Charlie Hodde has traced how he became a lobbyist for the state Grange, leaving his farm near Colville in Stevens County in Eastern Washington, to go to the 1933 session of the state Legislature as a Grange lobbyist at the tender age of 26 years. The Depression was gripping the land and the state of Washington had its share of poor and unemployed and struggling farmers trying to eke out a living from the land. It was in this picture that the state Grange entered the 1932 election with two initiatives, Initiative 64, imposing a statutory 40-mill tax limit on property taxes. This initiative was sponsored by real estate interests and homeowners from throughout the state. The Grange was not fully responsible for that initiative, but only partially responsible as supporters of it. And the other initiative was Initiative 69 authorizing a state income tax. Both of these measures were passed and this set the stage for the spirited action of the 1933 Legislature. First of all Charlie, there was a tremendous turnover in the 1932 election. Could you give me some idea of the magnitude of that turnover?

**Mr. Hodde:** Well, it's hard to realize how big the turnover was unless you look at the numbers on it. From

the 1919 session through the 1931 session, in other words up to the '32 election, there were never more than two Democrats in the Senate, out of forty-six at that time. At one time there was only one Democrat, so you can see it was not quite as remarkable a situation, but the most Democrats that served in the House during that ten year period, or twelve year period, was seventeen. So that, in effect, we came back then to a session where the Democrats were huge majorities in both sessions. So they had to be all practically without legislative experience. The got it, because a lot of things came up during that session.

**Mr. Rogers:** These two initiatives, out of five that were passed in the 1932 election, the one on the income tax and the other on the tax limitation of property taxes, were of premiere importance. I wonder if you could explain some of the action in connection with the income tax. What happened? We don't have an income tax today, what happened?

**Mr. Hodde:** Well, it got a big vote, and everybody seemed ready to do something different. The ordinary comment was, if I had enough income to pay a tax, I wouldn't object to it. But I don't know, I think we have to look at what happened in two lights. One, it was challenged; of course, it went to court. The court decided on a five to four basis that it was unconstitutional. The reasons that they gave may not be the reasons they did it, Jack, but the reason they gave was that income, once it became net income, was property, and differently than gross income, was later decided as not property and it could be taxed like you would an excise tax. But that net income has become property and therefore it can only be taxed at a rate not to exceed the rate taxed on other property and also that it cannot be graduated. In other words . . .

**Mr. Rogers:** That's the so-called Equality Clause, Uniformity Clause in the Constitution.

**Mr. Hodde:** Yes, the Uniformity Clause in the Constitution. Now, if it were not property you could vary it, but if it is property it says that it has to be taxed equally. Well, the rate in this were not high, but they did exceed the one percent limit established on other property by a significant amount.

**Mr. Rogers:** And the court struck down the income tax . . .

**Mr. Hodde:** Now the real reason that they struck it down, I think, and this is really a matter of opinion, was the Tax Commission had never administered an income tax, nor did they have any other states with a lot of experience to draw on. and so, in their efforts to try and administer property, get people to report, they prepared some very complicated forms to determine what your net income was and because they didn't know what else to do, they box-holdered them to everybody in the state. I was out in the field and I ran into this immediately and people who had voted for it immediately turned around and said, "No way, if I have to fill out these kinds of forms and tell all my secrets about my business and everything, I don't want any part of it." Most of these

people were not paying federal income tax. They were nowhere near the level of federal income tax at that time. I think that reaction was reflected in the court's decision, because when they talked to these people, they got the blanks. I think that they just killed it, because if we came back with a constitutional amendment to meet their objections, it was roundly defeated and has been defeated several times.

**Mr. Rogers:** The income tax then failed the court's test, whether that was the real test or whether the public opinion helped to strike down the income tax, that's how it died.

**Mr. Hodde:** It died there, yes. One thing you have to realize is that that court decision did not happen immediately you know; it was after the '33 session before that happened. So at the '33 session we're talking about how they still had to find revenue to run the state. The 40-mill limit went into effect immediately, but the income tax wouldn't bring any revenue in until 1934, because we didn't have such a thing as withholding at that time. So, the Legislature did face the necessity of raising revenue in some different manner, a substantial amount in terms of that day, before the income tax revenues could be achieved. Well, then of course later, when the income tax was thrown out, in the '35 session they took up the whole revenue picture.

**Mr. Rogers:** The people of the state responded to another landmark measure, the so-called 40-mill tax limit. How did that come about? Who were some of the actors in that passage?

**Mr. Hodde:** Well, there were a lot of actors in it and of course, there was a real estate group in Seattle who were primary sponsors of it. The Grange supported it as did many other organizations, because property taxes not only were burdensome, but they weren't being paid. Chelan County, for example, had less than fifty percent of their taxes paid, so everything was on warrants. So, a man by the name of Wheeler, as I recall, was one of the main directors of it and a man named Jackson, was a long time lobbyist supporter of it.

**Mr. Rogers:** Frank Jackson.

**Mr. Hodde:** Frank Jackson. And this is getting a little ahead of the picture, but they initiated it successfully the first time and it was an amendment to the statutes and not a constitutional amendment. And then in order to keep the Legislature from tampering with it, Jack, they re-initiated it every two years for ten years before it was finally adopted in the '44 session, a measure adopted and submitted to the people as a constitutional amendment.

**Mr. Rogers:** I remember in the '44 election that a Spokane senator by the name of Senator Orndorff had been very active in the Legislature on behalf of the 40-mill tax statute and his great goal was to put the 40-mill limit in the Constitution. And the people of the state passed, in 1944, that limitation which still exists in a little different form.

**Mr. Hodde:** Right, we've changed it. I had a hand in that I was disturbed about the re-initiating every two years. I was chairman of the Revenue Committee in the 1943 session, and I was disturbed because they were freezing all of the levies for schools, for the counties, for everything at the same rate all the time. We thought the Legislature ought to have the right to vary them around as long as they stayed under the limit. And so one of the deals we made, if you want to call it a deal—agreements we made—might be a better term, was that I would support getting it (a constitutional limit) through the Legislature if they would agree to make it an overall limit rather than limiting each levy specifically. That's when we said 40 mills times fifty percent with the exception of some exclusions like special levies voted for schools and things like that. So, then we did get it in the Constitution so we didn't have to have it initiated every two years.

**Mr. Rogers:** What effort was made, in as much as the income tax did not go into effect, what effort was made to enhance the state revenues? Wasn't there a Business and Occupation Tax in the 1933 session?

**Mr. Hodde:** Correct. There was a tax on gross income. I don't think we'd given it such a fancy name at that time, Jack, but they did put a tax on gross income and I mentioned that in my earlier discussion of the matter, that they were pretty uncertain about what they could do in that line. But they were advised that it would appear; that as long as the rates were the same on the same class of property that there could be different rates. That's when we went through the struggle to see, well, are we going to tax in my case, in my lobbying standpoint, were we going to tax farmers and if we did, at what rate? I remember the farmer was originally put in, originally at ten cents on the hundred dollars, rather than the higher rate that applied generally to most businesses.

**Mr. Rogers:** Which was twenty-five cents on the hundred dollars.

**Mr. Hodde:** Twenty-five cents, as I recall it, yes. And then we went through some other matters that I discussed so we wouldn't have everybody reporting even with very minimum incomes and the original draft said that they only had to report if they owed five dollars tax, was the way we tried to get it through. Well, then when Martin got the bill, he decided you didn't have to tax everybody that's in business; you didn't have to tax the farmer for example, so he vetoed out the tax on farmers, because they faced the prospect of maybe 70,000 returns that wouldn't pay maybe four or five or six or eight dollars apiece. They just weren't going to fuss with that and that's the reason it really was originally left out. And then they sort of viewed farmers as not being much different than wage earners.

**Mr. Rogers:** And the wage earners were also exempt.

**Mr. Hodde:** They were exempt. There were attempts later on to include a tax on, well, a city put a gross income tax, Bellingham tried to put a gross income tax, not in this period but a later period, on labor that didn't

live in town. The court threw it out and said you can't tax a guy for the right to work; you can't make him take out a license to be able to take a job. Unless it's a job that requires certain qualifications, but just say because he's working, he has to pay tax, no.

**Mr. Rogers:** Well, the state faced the problems, although the sources of taxation were being limited by the income tax failing and the B&O tax being originally vetoed by new Governor Martin.

**Mr. Hodde:** Now wait a minute, Martin didn't veto the whole thing, and he only took agriculture and a few other things out. They did pass some other tax legislation, too. They passed the Chain Store Tax for example, and Martin vetoed that because he didn't feel like it was a revenue measure; he felt it was trying to sort out business you know, and so on.

**Mr. Rogers:** It was aimed at chain stores alone rather than being general across the retail business.

**Mr. Hodde:** I can't, without looking it up, cite the exact other levies that were made besides the gross income and sales tax act.

**Mr. Rogers:** Well, what was being done for instance at this time then to fund education, what measures were being taken by the Legislature?

**Mr. Hodde:** The Legislature had a major, I mentioned in my script, I believe, a very major effort in this line that was called the Showalter Bill. Showalter was Superintendent of Public Instruction. They increased the amount of money that the local districts were getting from the state to compensate for the fact that they lost levying authority under the 40-mill limit, cut their wages there. So that the amount paid per student was actually, prior to that, twenty dollars a year per student. That was increased to so many cents per day. It actually averages out to about 16 cents a day in grade school and more than that in high school and junior high. So there was extra state money funneled back and that partly came out of the new B&O tax and other things.

**Mr. Rogers:** And that marked increasing of the state's effort to support education as opposed to local school district support the state began to take up a bigger share of the burden.

**Mr. Hodde:** In the original, not only the one in '33, but in the '35 session if you look at the statutes, they divided the money up that was collected out of those statutes by a certain percentage going to universities, a certain percentage went to schools; you know it was all divided up right there, they were all dedicated funds, in effect. Some of it went to the general fund. That was later on abandoned and the schools get their money from whatever money's available, but at that time they got a percentage of whatever was paid in.

**Mr. Rogers:** Another thing that began to develop then was transporting pupils to school. They began to consolidate school districts along in this era, not particularly in the '33 session, but the stirrings of this . . .

**Mr. Hodde:** That came somewhat later; in other words, there was a little consolidation earlier, but at the time that we're talking about here the school districts that were consolidated were generally rather obviously needed. Like among the little town of Colville where I lived, they consolidated a few districts, but their bus system was not very large, as it got to be later, but they did have transportation. I think that was true generally, but quite a strong move for consolidation developed in the late thirties and early forties . . . and then there was a great deal of consolidation.

**Mr. Rogers:** I know that during this time and a little later than this, there were efforts in the Legislature to increase teacher's pay. It was abysmally low in those days.

**Mr. Hodde:** Nothing was really done of significance other than to furnish more money in the '33 and '33 special sessions. It was not until '37 that we set a minimum wage for teachers of \$100 a month. But, even that was conditioned upon it not requiring more than seventy percent of the budget to do that.

**Mr. Rogers:** Yes, and some political recriminations were taken against you in the next election . . .

**Mr. Hodde:** Well, I'll talk about that another time, but basically I thought it was a very good move. We had about ninety schools districts in my legislative district and the directors felt like they ought to have the authority, they ought to be able to bargain, just like they did for a hired man on the ranch, and if they could get one cheaper, they ought to hire the cheap one.

**Mr. Rogers:** So, they'd hire the schoolmarm for sixty dollars a month or something like that.

**Mr. Hodde:** Well, that was about average in my area, except for in the city districts and so there was resentment on that part. This is exhibited quite frequently when you try to move in on local authority and tell them that there are certain minimums that they have to comply with, it's a continual battle.

**Mr. Rogers:** Along about this time, there was also some new and broader emphasis on building roads and bridges, which had been a local function but the 40-mill tax limit also did something to the road levies that the counties ordinarily levied. What happened there?

**Mr. Hodde:** Well, what happened, of course, was that they'd practically lost their, what we had called their road and bridge fund monies, which had been devoted to improving county roads. So again, the solution seemed to be to dedicate revenues to local road use.

**Mr. Rogers:** By the state.

**Mr. Hodde:** The state dedicating state collected revenues from the gas tax principally, certain portions to the county. There'd been some contributions to the county of this nature for what might almost be called secondary highways, but it hadn't been very substantial and this was increased at this time so that there was some

additional state money. It had to be spent under rather strict state control as to how it was used, what class of road was built and so on.

**Mr. Rogers:** I know that the Highway Commission was created and the commission, or the governor and the commission, hired Lacey Murrow as the Highway Director, a Spokane engineer; he'd been Spokane County engineer, I believe. Now what began to happen there? We began to see in the future, after this, by bridges across the big bodies of water in Puget Sound, the Tacoma-Narrows Bridge, the Lake Washington Bridge across Mercer Island and to Snoqualmie Pass. These developments had their stirrings at this time.

**Mr. Hodde:** Well, Murrow got the job here, as I recall, very shortly after the commission was established and during Martin's administration. Murrow came from a very well-known family, not as of that time particularly, but his brother Ed Murrow was the one who was the correspondent in World War II in Europe, who was always on the air, remember. The Murrow brothers—there was a third brother who didn't get as prominent as Lacey and Ed, but that lived in Pend Oreille County, in my district, actually. So I knew those people pretty well and Lacey, I don't want to call him a dreamer, he was a doer, there's no question about it.

Again, we'll probably talk if we get into the '35 session a little bit more about that, but he came up then with some of these bridge ideas you're talking about. Of course, as we begin to crawl out of the Depression, even though it was kind of weakly in the '35, '37 sessions, we began to authorize a lot of these things and that continued for some time. My favorite story, which I thought maybe of telling ahead of time on the Lake Washington Bridge, really didn't happen at the time of the bridge. We had a very colorful senator, Senator Tisdale, really a perfect example of a lumberjack, and the tobacco-spittin', drinkin', cussin' lumberjack who got elected from the Pacific County area year after year. He voted against this bridge, as he explained later when they came up with another proposal that he asked them whether they were going to build it on logs or what they were going to do and they said they were going to build it out of concrete and he said, "You damn fools, concrete won't float, you ought to know that." And he said, "They went ahead and built it out of concrete and it did float!" But it was a rather novel and new approach to bridging wide spans of water that was quite successful.

**Mr. Rogers:** Another issue that had been taken care of in a manner locally was feeding the poor and helping those disabled and unemployed persons and so on. We saw the dawning of a welfare system in the 1933 Legislature. I know that there was considerable activity over a ten-million dollar appropriation for relief and also they passed a thirty-dollar per month old age pension if a person could qualify and the qualifications were pretty tough, as I remember.

**Mr. Hodde:** Yes, it was, you had to be busted, just flat, and usually old. I guess there were two things that

fostered a lot of new programs, one was the absolute need. There was just more need than there was any way to handle under the old system. The old poor house wouldn't hold them.

**Mr. Rogers:** Private charities couldn't meet the needs.

**Mr. Hodde:** They were faced with difficulty in making collections and all that, so it was just evident something had to be done. So the Legislature couldn't find any possible way they could raise enough money by taxes to do it, so they proposed this bond issue.

**Mr. Rogers:** That exceeded the state's limitation, however.

**Mr. Hodde:** Yes, the state had a limitation at that time in the Constitution that you could only go in debt not to exceed \$400,000 except by the vote of the people. They wanted this now; they didn't want to wait until it went to an election so they passed it and the Court approved it as I mentioned before on the basis that the limitation of the Constitution said that you couldn't do this except for two things, if there was an invasion or an insurrection. They said in effect, that this had to be done in order to avoid an insurrection. Because we had a couple marches on Olympia, which have been mentioned, which were to bolster this situation somewhat.

**Mr. Rogers:** They called them hunger marches and some people said that they were communist inspired. What did you think about that?

**Mr. Hodde:** I don't think they were communist inspired, but if you were as hungry as those people were and as desperate, if a communist came along and said, "I can help you," you'd have probably traveled with him. They were hunger inspired and these people were not nuts, you know. I visited with them around the Capitol area; they were good people and if you'd sit down and talk to them and they could tell you some real sad stories. They mostly came out of Seattle and Tacoma, but not all of them because in the rural areas, while people were equally poor, they generally had a little more resource in the way of cutting their own wood for fuel, raise a garden, milk a cow, you know. They ate, they didn't have anything else, but in the cities they didn't have cows, they didn't have gardens, they didn't have a place to get fuel, they didn't have anything to pay rent with. So something that seems to be poorly documented was what we called Hooverville up in Seattle. The whole waterfront, which is now all developed, with the piers there and the ferries and boats are coming and the restaurants and all that, was a mud flat there. Hundreds of people lived out there in little shanties that they just put up of cardboard boxes and anything they could get to keep the rain off. We referred to it as Hooverville and during the day they lined up several blocks long, waiting for one meal a day, which they could get from welfare. Those kind of things sound like fairy tales now, but they were real. I was in Seattle quite a bit, because the Grange headquarters were there, and we took a look at these people and you know they were the most desperate

people you ever saw. Why there wasn't more looting and robbing, I don't know. Today, I don't think, well, let me back up and say most of those people had been raised as God-fearing honest, law-abiding citizens and even though they were absolutely destitute for no reason of their own, they still did not react like you would expect people of today might do.

**Mr. Rogers:** Another issue that grew out of this era, the '33 session, that historic session of the Legislature, the beginnings of the Grand Coulee Dam, the Columbia Basin commission that was created to foster the advent of low cost power and reclamation. Could you tell what the Legislature did in those areas?

**Mr. Hodde:** Well, the Legislature supported it. Previously there'd been very little activity, but when Roosevelt came in, the real thing that triggered the surge and support for it was job making. In other words, we talked very little about power. There was a lot of opposition to the Grand Coulee, for example. It came from people who said, "Jackrabbits don't burn electricity and you're talking about this Columbia Basin, you know" and that they'd never be able to sell the power, it would just be a boondoggle completely. The supporters said, "Look, we have to grow, and this arid land could be made very productive." There was enough irrigation then to demonstrate what could be done. They were mostly irrigating out of small lakes. I even irrigated up at Colville out of a creek, starting with two acres and a water system was powered by a water wheel in the creek; otherwise your garden would all dry up by August. I could produce the finest looking vegetables and stuff, and so after a year or so of that, pretty soon I bought an old contractor's pump and had twenty-five or thirty acres under water. Before we got electricity that was about my limit, but at that time, when you look at the contrast between the dry land and the small amounts of irrigated land, I said, "God, we can have a great state here." And that really was the biggest push; that's why the Columbia Commission was formed, the Columbia Basin Commission as a lobbyist agent for getting this done. That's why a lot of my good friends like A.A. Goss the Grange master who were talking to Roosevelt said, "You've got to do something out there. We can make jobs and we can create economic recovery by building a dam across the Columbia." Grand Coulee had been talked about for some time. There'd been an old fight for many years between whether the development ought to come through Grand Coulee Dam, or whether it ought to come through a canal.

Washington Water Power was a prominent company at that time in Spokane, and the alternate plan was a canal where you'd take the water out of the Clark Fork River before it became part of the Columbia, and divert it by way of the Spokane River and then in a canal down to the Columbia Basin. This would have not provided power, although there would have been some gain to Washington Water Power by having the water in the non-irrigating season dumped into the Spokane River during the low water period, and they'd go through their dams

then to make power. But the Wenatchee area wanted the water taken out of Grand Coulee, as it eventually was done, and a much larger project than the canal, would have furnished.

**[Tape Two, Side Two]**

**Mr. Rogers:** Charlie, the Columbia Basin Commission you have described as a kind of a state funded lobbying effort, and the idea of that was you had to go to the federal government to get the funds to do these dam projects, how was this worked out? The federal government just didn't come out and do the job; they loaned the money at a low interest rate, did they not, on these projects?

**Mr. Hodde:** No, actually on the Coulee Dam it was a federally funded project. It's the only large project, at least up to that date, that had started without Congressional authorization. The big lobbyist for the Columbia Basin—they had this commission—was a guy named O'Sullivan, but for many, many years even after the basin was well under way, he was their paid lobbyist who spent a lot of time in Washington, D.C. and also around the state in promoting this irrigation development.

**Mr. Rogers:** Later they named the O'Sullivan Dam after him.

**Mr. Hodde:** Right, absolutely, one of the storage reservoirs up in the basin. I used to enjoy talking with him and he wasn't what you'd really have expected. You'd have thought they'd have some slick-haired, tuxedo-clad guy, but he was just a real common looking, dirt-farmer type of guy.

**Mr. Rogers:** No alligator shoes . . . on that lobbyist.

**Mr. Hodde:** No sir, he wasn't the ordinary sort of person you would expect. You see, the thing that really happened, there they were, not very pleased—the irrigating supporters—with the proposal to build the low dam, which was what Roosevelt first agreed to. They kept at it and before they got far enough along in construction to cause any problem, they adjusted the authorization to allow the high dam to be built and then later for the irrigation to be developed.

**Mr. Rogers:** A.S. Goss of the Grange was one of those who advocated that, did he not?

**Mr. Hodde:** Yes, Goss had a lot to do with it. He was very close to Roosevelt and became his farm credit administrator later, and so he really had his ear, and had been a supporter of this, and I think had a lot to do with the fact that it got started.

C.C. Dill has to be mentioned as also being a Senator of influence that really made this his top priority.

**Mr. Rogers:** He certainly will live in history for his efforts in connection with Grand Coulee Dam, I'm certain of that.

Now, the state of Washington embarked on another new program in 1933. Prohibition had been repealed, National Prohibition had been repealed, and so what was the state's response to that?

**Mr. Hodde:** Well, the big argument that immediately came up when it was certain it was going to be repealed, would we let this go back to the old saloon era, where private business was in it to make money? The general sentiment was that it should be a state controlled distribution, and resulted in the setting up of a State Liquor Board. This took place in the '33 session and it wasn't an easy fight. There was a great deal of argument about it. E.N. Steele was a new Senator, really, only elected in the '32 election, from Olympia. I'm not sure why he was chosen to introduce the bill, but he got his name put in history because it was the Steele Bill, the Steele Liquor Act. So Steele, whether he liked the idea or not—and he was not a liquor man really—he got his name tacked to the system used in this state for merchandising liquor.

**Mr. Rogers:** Wasn't it unusual for the citizens to understand that the state was going to be the only source for selling them liquor?

**Mr. Hodde:** I think the public generally supported it because even though they had voted to repeal Prohibition they excused their act, if you want to put it that way; they weren't in favor of drunks and excesses of that type. They said, "We can get rid of the bootleggers, which are creating this problem and at the same time we can supply it in a manner that it will not induce over consumption."

**Mr. Rogers:** They wanted strict regulation.

**Mr. Hodde:** They wanted very strict regulation over this disposition, the sale of it; how they were going to put it out to the public. So, they went along with this and the big argument which existed for years was gradually changed some, but it's not been changed, remarkably yet, was whether there'd be sale by the drink or whether it had to be taken home in the bottle.

**Mr. Rogers:** By the package. Well, another big argument of the time was on Sunday sales. Sunday sales were prohibited and that meant that bars that stayed open till 2 a.m. Sunday morning had to close off selling of liquor at midnight.

**Mr. Hodde:** That's right. If you didn't have it bought, you couldn't drink it. There were other restrictions that came into the thing and I don't remember whether they came in immediately or not, but you couldn't have it within a certain distance of a school or church or something like that, or any kind of social affair that used it. But anyhow, this is an ongoing problem, but I think they did a rather good job coming out of a period of Prohibition to get some kind of control over it.

**Mr. Rogers:** The governor appointed the members of the Liquor Board, as I recall.

**Mr. Hodde:** And they made their terms long, because they didn't want this to become an election issue that a new governor might run and say, "When I get in there boys, you can have liquor until two o'clock." So, with nine-year overlapping terms, it takes two governors, almost, to get control of the Liquor Board.

**Mr. Rogers:** That was done later when they passed an initiative for liquor by the drink, and included in that was the change in the nine-year terms for liquor board members, which seems like a long time, but as you explained it, it had a good purpose.

One other purpose of the Liquor Control Act in this state, the Steele Liquor Act, was to divide the taxes and the profits between the state and the cities and the counties. They all participated; the counties and the cities had police authority and they had some additional police duties because of liquor and the theory, as I understand it and you can tell me if I'm right or wrong, was that liquor would be taxed and some of the money would go back to the local governments.

**Mr. Hodde:** Jack, it was probably more of a successful lobbying effort than anything else. Actually, one of the inducements to get the act passed was that the local government would share in the revenues. Now, I don't know if they were entitled to share in them on any other basis or not, but they got their share anyhow. They just had a good lobbying outfit.

**Mr. Rogers:** The cities at that time got forty percent, the state got fifty percent, and the counties got ten percent, and I always thought that the counties had a small share of the action.

**Mr. Hodde:** They maybe didn't have as good a lobbyist as they did in later years, Jack.

One of the inducements to get a bill passed is to gather support, and it's not that you just sit down with some theoretically inclined group to figure out what's absolutely right. These pressures come on and they give a little here and there and they come up with a result that's reasonably satisfactory.

**Mr. Rogers:** Well, you were a successful young lobbyist in the 1933 session and that must have been one of your principles. I know in lobbying, it's always said that you've got to have allies, you can't do things by yourself, and you've got to have others who feel as you do. In other words, there's got to be a public opinion for a piece of legislation before the Legislature responds and passes it. They don't just pass somebody's individual idea; it has to have some force of public opinion behind it. The liquor act seemed to be passable in the Legislature if they shared the revenues and if they had strict regulation, is that correct?

**Mr. Hodde:** I sometimes question whether any act would have been passed at all if it hadn't been that without it you would have had absolute chaos, free-sale liquor everywhere. So, they had to get together on something. There wasn't general agreement that it ought to be state controlled, but there was more support for that than

there was non-state intervention. There was some thought only that it should be strictly regulated by the state rather than operated as a merchandising effort. But, they put this together and divided the money up with local government and a few other things got in there because this thing didn't pass easy. You know that session was called just to do this, principally, and they were in such a deadlock, the Senate, as I recall, went home about Christmas time. They said, "If you House (members) want to sit around and argue, well, we're going home." They came back right after the first of the year, and it was somewhere around maybe the 10th of January before they got it done.

**Mr. Rogers:** It was passed early in January of 1934.

**Mr. Hodde:** Right. One thing that happened, Jack, in the '33 and '33 special sessions that ordinarily isn't thought of as being tied in with the Depression or anything, but there were a number of changes made, like in the Game Department, the initiative which was done just ahead of that which gave a state control . . .

**Mr. Rogers:** Rather than county control.

**Mr. Hodde:** We had county game wardens, and I can tell you a little story about that that might illustrate why some of us over in the boondocks didn't like the state taking over control. Over in the Colville area—and I won't use names except the name of the, I guess I could use the name of the game warden of the day; his name was Woodard—most of the enforcement was done by Woodard. During hunting season, he had some deputies on, but during the Depression it was not too unusual for somebody who didn't have any money to kill a deer and have meat on the table. Yet there were others that were game conscious who realized that this was going on to such an extent that the deer population was getting smaller and smaller.

**Mr. Rogers:** Poaching.

**Mr. Hodde:** Poaching, if you want to call it that. Well, any how, Woodard was told that a certain neighbor, a certain person, over in the Rice neighborhood, over toward the Columbia River, was seen killing a deer. So, he goes out there and he knocks on the door and a guy has a deer all spread out on his table cutting it up. So, there was no question, Woodard said, "Didn't you know that was against the law?" And he says, "These are my kids; they ain't got nothin' to eat. Wouldn't you kill a deer?" Well, "but the law's the law and you should have gone in and applied for assistance from the county" or whatever. So, he wraps up a nice piece of venison to take as evidence and he went back to Colville, and damned if he hadn't forgotten to bring the evidence with him. So, he just dropped the case.

Now, that kind of reasonableness disappeared with the change-over. We were afraid it would, because sure, it was against the law, but he wasn't about to go to court and try to get a fine imposed on this old—he wasn't

an old man—with several little kids, and he could look around and see—he told me personally—he said, “Honestly, I never saw people living with as little as they did. They didn’t have but one piece of clothes apiece, and to try to arrest them for killing a deer! I would have went out and helped them get one!” he said.

So, there was a feeling that local control was being invaded by some of this, but the sportsman of that day realized that counties were not doing as good a job as they might. They didn’t have the resources, and I guess I’d comment this much further, that when I first started farming up there, seeing a deer was unusual and by the mid forties, early fifties, I’d have fifteen or twenty of them eating off my haystack and I couldn’t keep them away. They were just like a bunch of sheep around the place; they grow that many. Well, then they did begin to have doe season, and one thing or another and cut them down again, but given the kind of protection they got when the State Game Commission was formed they multiplied like rabbits and we began to look at them as pests rather than curiosities.

**Mr. Rogers:** That was the radical change in the way wildlife was handled through the new Game Department.

**Mr. Hodde:** Absolutely, and if success is by having more game and more fish and all, they certainly did a good job. No question about that.

**Mr. Rogers:** And it was all funded out of licenses paid by the sportsmen who bought the licenses to hunt and fish.

**Mr. Hodde:** Yes, the other thing that’s interesting about that era, the way we were trying to promote deer growth in our county, we got a bill through the Legislature at that time, to put a twenty-five dollar bounty on cougars, because cougars were killing deer. So, we had a bounty on cougars and some other animals for a number of years, and now they’re endangered species.

Another commission that was set up at that time was the State Bar Association. They were given some rather sweeping powers in relation to the practicing of law. That is not Depression related, but again, I’ll say it wasn’t all Depression oriented legislation that took place there.

One thing that I may have mentioned and I don’t remember if I did in an earlier script, was the fact that there was a law passed that allowed Tacoma and Seattle to sell power outside their cities. That was a public power supported bill so they could take on some rural areas that mostly weren’t receiving electricity.

**Mr. Rogers:** The public power advocates were showing that they had some power in the Legislature and that movement was a growing movement at that time.

**Mr. Hodde:** There’s one story I’d like to put on the tape that is somewhat repeated from time to time in the Legislature if somebody changes parties, or they get into a coalition or something and then everybody in the

party system condemns them one way or another. There was a Senator from Tacoma who was a newspaperman named Ryan, he was elected during the twenties as a Populist, twice in the early twenties. Then he ran and was elected once as a Republican and then in the '33 session he ran and was elected as a Democrat. He was challenged in the Senate by the fact that he was such a party changer. His response—I never forgot because he demanded the floor on personal privilege, there having been innuendos about his political philosophies and so on—and said that he was about his party just like his underwear, he changed it when it got dirty.

**Mr. Rogers:** Charlie, it is apparent that the 1933 session was one of great importance and also great activity for you, but what did you find to do between sessions now?

**Mr. Hodde:** Well, in my tape I mentioned that the first thing I found to do between sessions was to get married, but I wouldn't go into that anymore. But I was a farmer over at Colville, and I had my—at that time—was only a leased ranch. I later bought it, but it was leased and was principally a dairy ranch.

So, when I was working with the Grange in the legislative activity and as a state lecturer—I should, I guess, explain that the state lecturer is the educational elected official of the Grange, usually rated as a number three position. Knute Hill had been the state lecturer and he was elected to Congress—actually stayed in Congress for ten years—but when he was sworn in, in January, the State Master, Goss, appointed me to fill out his term, which ran until June.

**Mr. Rogers:** Was that a paid position?

**Mr. Hodde:** Yes, I got five dollars a day and expenses. So, that wasn't too bad in those days, Jack. That was a pretty good job. Now, when I wasn't on the road with it or something, or in Seattle, then I only got fifty dollars a month and that was to cover the time that I spent in getting out program material and things of this type. When I went to the state Grange session in Yakima in June, I was elected by the body then, in my own right for a two-year term, which incidentally was repeated again in the '35 session, so I served a little over four years as a state Grange lecturer.

In addition to that, now a lecturer normally wouldn't be doing a lot of the things I did, I organized eight Granges between the '33 session and the '33 special session. I organized, I think it was, six of them in Okanogan County, and one in Wenatchee, and one in Stevens County. But, I also did what might be called just promotional work for the Grange, visiting Granges. Over the period that I was state lecturer and doing organization work, I met with Granges in just about every corner of the state. I don't think anybody ever got better acquainted with the state of Washington, which became a lot of value to me politically later, because if I met a legislator just elected, for example, from Pacific County, I had something to talk to him about. I'd been

down to Pacific County Granges, see, I knew some of his friends down there and it would be true of every county in the state. In King County, not only in the rural areas, but because of my activities in politics—I'd mentioned income tax campaign and everything—I developed an acquaintanceship that I give a lot of credit to my being able to be somewhat successful in politics, was the fact that I had all of these acquaintances.

**Mr. Rogers:** And helped to elect you Speaker in later sessions and things like that?

**Mr. Hodde:** Oh yes, there's no question that it really did give me quite a boost in that relation and I got paid for it. And the fact of the case, you say five dollars a day, what the hell, I couldn't milk fast enough to make that on the ranch, you know. So, in this period, of the four years that I was state lecturer, my wife and I came to the conclusion that milk cows didn't belong in our scheme of life.

**Mr. Rogers:** You couldn't go home and milk them every day, twice a day.

**Mr. Hodde:** No, and you're hiring a hand and you aren't getting enough out of the cows to pay them hardly, and things don't go right when you're gone from home. So, I had a sale, actually in '34, and sold the milk cows at an auction. I'd bought them in the fall of '29, after the stock market crash, but before the Depression really hit. I paid an average of ninety dollars a head for them and when I had my sale—and I had the highest priced dairy sale for several years—I got thirty-four dollars, average. A friend of mine who wanted to sell ten cows with me, brought his cows in, he averaged eleven dollars a head; that's what he got for his cows. But, I had put mine on a state test for butterfat production and I had a good herd of cows, Jack. I had one of the highest testing cow herds, averaging over a pound of butterfat a day, which was considered exceptional then, and so they sold good. But they sold for a third of what I'd paid for them when they were just two-year old heifers, and now they were in their prime production period. But, the other side of the story, I took the money I got out of my cows and I bought a bunch of short-yearlings, we called them; beef cattle, we crossed generally with short-horn Hereford cattle, four hundred and four hundred and fifty pound calves, which didn't require hardly any attention. Throw them out a little hay every once in a while, in the summer they'd graze; they took care of themselves, you know. By the time they were grown and went on the market, cattle had gone up. Grain-fed beef cattle brought six and a half cents a pound. Those damn things would bring me about sixty bucks apiece and I'd paid sixteen dollars for them. Most of the feed I'd raised myself, so it was a good move on my part, but it also fit my lifestyle that I'd gotten into much better than dairy.

**Mr. Rogers:** Did you have any other crop besides beef cattle?

**Mr. Hodde:** I'd started before I got rid of the milk cows, but my principal crop became certified seed potatoes. I had gotten acquainted with the possibilities here with a friend that I'd met in the Grange—actually down in

Spokane County; he'd been at it for quite a while. So, I decided—I'd been raising a few acres of potatoes just as a crop—but I decided certified was the way to go, and so I learned how to detect the diseases and how to get them out. So, during the late thirties I got up to around thirty or forty acres of certified seed potatoes, built a warehouse for storage, and all that, and it became a very large part of my operation.

**Mr. Rogers:** The farmer would buy these potatoes because they were certified to be disease-free and he would plant the Hodde's potatoes and they would turn them out a good crop.

**Mr. Hodde:** Most of them I shipped into the Ellensburg area or, as the Columbia Basin developed, my market became Moses Lake and that area, but Ellensburg had earlier irrigation and I remember shipping them several carloads in there. Then as time went on—this was ahead of these years—but later I had a deal with Pacific Fruit, down in Spokane, and they took all of my potatoes at whatever the market was, which got me out of the business of running around trying to find somebody who wanted to buy a carload of potatoes.

**Mr. Rogers:** How many acres of seed potatoes did you culture each year?

**Mr. Hodde:** Well, I had a funny rule and I followed it fairly well. A guy told me when I first started in, he said, "You want to make money raising potatoes? Don't plant the same amount of acres every year, plant the same number of dollars worth of seeds." Now, that sounds funny, but if potatoes are—the seed is cheap, it's because somebody planted too many and there's too many potatoes. If they're high, people are planting too many and you'd better stay out of it.

**Mr. Rogers:** You were watching the law of supply and demand.

**Mr. Hodde:** Right, so I would plant anywhere from a minimum of twenty-five acres, maybe a few years I got up to fifty or sixty, but forty acres was about what I could handle, because to raise certified seed you had to be rotating. You could only be on the same land about once every five years; otherwise the volunteers would ruin you.

**Mr. Rogers:** The ones that came up not by you planting them, but by reseeding themselves?

**Mr. Hodde:** Right, and so, I would put in potatoes, seed it to grain and alfalfa, raise alfalfa for three years, plow the alfalfa; that put the nitrogen in the soil and you got a great crop of potatoes, and then potatoes. So, with the two hundred acres I had to average somewhere, forty acres was about all I could average.

**Mr. Rogers:** And certified seed is always a higher priced crop than others?

**Mr. Hodde:** The biggest advantage of it was that when you're selling commercial potatoes—I don't know where they get them now; you get these little bitty potatoes—but three ounces is as small as you can sell for human consumption. They're graded and the rest are culls, which are worth nothing but to feed to the cows. But

with seed potatoes there was a good demand for what we call one-drops, one- to three-ounce potatoes where they didn't cut them; they just planted them whole. So, you marketed your entire crop; otherwise, you might be dumping twenty per cent of them as culls. And then the larger potatoes, like the bakers, eight ounces and larger, were not desirable for seed but they were very desirable for the eating market, so you got your best price, usually. Some years as certified seed, three to eight ounces would bring the best price, but other years, it might be the bakers. Then the single-drops sold a little cheaper, but if you were getting two dollars for your better potatoes and you got only a dollar for them, it's a hell of a lot better than feeding them for stock feed.

**Mr. Rogers:** Was your farm mechanized with tractors and that sort of thing?

**Mr. Hodde:** Oh, yes, we got into that, not in 1933; well, actually in 1933 I kind of jumped the gun. I bought an old used Fordson tractor and I used it to plow with and some of the heavier work, but we still used horses. We never really got completely tractorized, I'd call it, until World War II came along, and then we were virtually forced into it. And also then, they came up with rubber-tired tractors and a lot of equipment that we didn't have. So, I had the first, what you might call, mechanized potato harvester north of Spokane, where we quit picking them up off the ground by hand, where we got rid of all the stoop-labor; we couldn't get it. So then we had a machine that digs the potatoes, pours them onto an elevator chain and people can stand on either side, and the old men can do that, throw the vines off, and they feed right into sacks off the back end.

Then, I even went farther than that a few years later. I got bulk wagons where we hitched on and we didn't even sack them, we just bulked them into there and they went right into the cellar and were dumped in the cellar. So, we didn't get mechanized; now they're way ahead of that, of course.

**Mr. Rogers:** Steering a bill through the Legislature was one of your talents, but steering the potatoes into the sack was another of your talents.

**Mr. Hodde:** I thought I was innovative, I, even as a seed potato grower—the only one I ever saw—I built a machine that cut and dropped the potatoes consecutively in the row. In other words, if you had a diseased potato and you wanted to make four pieces out of it—if you're familiar with planting potatoes, the ideal size being about two ounces—well, if it was an eight-ounce potato, you made four pieces out of it. But this machine was made so that it cut that potato and dropped those four pieces consecutively; then they were much easier to identify if there was something wrong with them. Otherwise, a single one might be covered by the potatoes on either side of it and sit there as a disease spreader. Whereas, if you dropped all four of them in a row, you'd spot them immediately and take them out before they got big enough to create any problem. So, it was a fun deal.

**Mr. Rogers:** You were traveling around quite a bit in those days, too?

**Mr. Hodde:** Well, when the busy season came, potatoes were a good crop for me because you don't plant them until the end of May and then you're pretty intensively involved the rest of the summer and by October 1st, or about that, you're through digging them. And then they go into the warehouse and you can sort whenever you want to during the winter months. So, in effect, it fit into the schedule. The beef cattle took care of themselves all summer when you're busy with something else. You fed them in the winter; you know, it balanced out, so it made a very good operation for the kind of work that I did.

**[End of Tape Two]**

# TAPE THREE

---

## [Tape Three, Side One]

**Mr. Rogers:** This is Jack Rogers preparing to talk again with Charles Hodde about the activities during the 1935 session of the state Legislature. Chapter one of the 1935 session is referred to as Initiative No. 77, regulating fish traps and fishing in the state of Washington. Chapter two is Initiative 94, which was a reenactment of the forty-mill tax levy limitation that had been passed previously by the initiative process. One note that I might make about the expenses of the 1935 session of the Legislature, the sum of \$125,000 was appropriated by Chapter three, however, later on in the session the legislators had to vote another \$30,000, but one and a half, or rather, \$155,000 for the entire session seems a small amount when compared with the amounts that are paid in operating present day legislatures.

**Mr. Hodde:** Okay, I comment on that this way, as far as the fish traps are concerned, there was a lot of concern at that time and it's rather interesting that this concern had nothing to do with building dams on the rivers and so much as we heard about later, but mostly that they thought that the fish traps were just too efficient at catching salmon and they were catching most of them before they got up where they could spawn. So, they decided to eliminate them. Of course, the Indians were involved in it, but they had some exceptions, but for the white man who was taking salmon to sell, this cut that off.

Initiative 94, the reenactment of the forty-mill limit, was really the start of what they continued for ten years. Because an initiative could only be changed after two years, by initiating it every two years, they kept the Legislature from touching it. It wasn't until the '43 session—and they did initiate it again in '42—but in the '43 session I happened to be chairman of the Revenue Committee at that time, and I made a deal with them that we'd put it in the Constitution if they would take the restrictions off of each taxing body and let the Legislature divide it up. They agreed to that, so then it was passed in the '44 election as a Constitutional amendment. But, there were ten years—and this was the start of that program when the forty-mill limit gathered signatures and reenacted it by initiative each year.

**Mr. Rogers:** That limitation was actually put into the Constitution in the 1944 election then?

**Mr. Hodde:** Yes, that's right. Of course, it didn't have to be initiated again after that.

As far as the expense of the Legislature, I know that it sounds real small compared to now, but I can make a kind of humorous comparison. I was lobbying at that session and was getting five dollars a day and expenses. The last lobbying I did, they paid me three hundred dollars a day, so maybe dollars then and dollars now don't have much relationship.

**Mr. Rogers:** There was a little bit of inflation that occurred.

**Mr. Hodde:** There was a bit of inflation from 1935, until let's say 1985.

**Mr. Rogers:** As the 1935 session developed, it was clear that the period of difficulties of 1933 were not over. The Federal Congress had been in session since 1933 almost continuously, and acts were passed of various kinds and the whole fabric of the 1935 session seems to tie in with the federal government. The New Deal was in operation; they were bringing forth social and recovery measures that were being enacted into law by Congress and the state was very busy in bringing itself into conformity with those laws and developing them. I note in Chapter seven, Charlie, reclamation of agricultural lands, the director of Conservation and Development of the state was empowered to make surveys of un-reclaimed lands and undeveloped lands in the state and to formulate policies for reclamation and development of the agricultural resources of our state. Do you care to comment on that legislation?

**Mr. Hodde:** It was a point, a situation that I was very much interested in, being a lobbyist for the Grange, because we had irrigation districts going broke and we also had a lot of pressure for expansion. So this Reclamation Revolving Act—let me go back and mention a member. E.F. Banker was a member of the Legislature for several years, even before the Democrats took over, but he was prominent in the 1933 session. He resigned and took an appointment as the director of the department that administered this reclamation fund. So, he was back in the '35 session, then with this legislation—and, Jack, I can't be absolutely certain—but it was in that period of time that, in addition to allowing them to supply money from this fund to reclaim land, they also allowed them to use money from this fund to purchase the bonds of existing irrigation districts which were going under.

A good example: the Burbank district went bankrupt before 1935 and you'd drive through that area and here were all these fields that were lush irrigated fields, all dried up and the pumping equipment that took water out of the Snake River sitting there just rusting away. Nothing done; no way to reclaim it because the bond holders (couldn't be paid). There was no way they could pay the interest on the bonds. Then, we had two districts in Yakima that were ready to go under and one in Okanogan, that I recall.

This act, or other acts to supplement it, allowed the state to offer these bond holders a percentage. In most cases, they offered them twenty-five cents on the dollar for their bonds. They weren't getting off as bad as it sounds because they bought those bonds with pre-Depression dollars and you commented about how cheap the session ran, well, actually, if they got twenty-five cents back on their dollar, they could buy just as big a house or just as many cows as they could with the hundred dollars they put into it. So, (the state) was able to purchase these bonds that reduced the debt service to these districts to the point where they could go ahead. And they've all paid out now; every one of them that they bought up, as far as I know, were successful in refinancing in this manner and staying in business, which of course, wasn't just the districts and farmers that were involved. There were businesses in town that were dependent upon this production continuing.

**Mr. Rogers:** Another act, that I note, passed by this session was an act permitting the savings and loan associations and mutual savings banks to invest in the obligations issued by the federal government's National Housing Act. That was an effort to stimulate housing, I know, and other agencies of the state government were also permitted to invest trust funds in these obligations. Insurance companies also were allowed to invest. That was one of the forerunners of efforts to recover from the Depression.

**Mr. Hodde:** We had a lot of things going on at that time, Jack, that were sort of to supplement work on the federal level, to bring us out of the Depression. We were beginning to adopt what I would call a different attitude entirely on how to help people. If you check the records you would see that there was an act passed to give free milk to school kids under age fourteen, for example. You just go through the legislation piece by piece, it fits into a new pattern of social welfare that did not exist prior to the administration of Roosevelt coming in and the efforts to get out of the Depression. I think that this development in the housing picture was the forerunner of the very strong position that some of the non-profit co-ops in the finance business, housing corporations so on, have had in that particular area ever since.

**Mr. Rogers:** Yes, I noticed as you called attention to the milk for school children act, that permitted school boards to furnish without charge, not less than one half pint of pure whole milk. Many children in those days were coming to school with empty stomachs and they needed some nourishment and nutrition and I don't imagine the dairy lobby objected to that nutrition being milk.

**Mr. Hodde:** Yes sir, and there was a connection there as a farmer/lobbyist, milk was pretty cheap. I might put in a little personal history plug there, when I was asked to work for the Grange, I had a bunch of dairy cows and when I bought my dairy herd in 1929, in the fall, butterfat was fifty-seven cents a pound. A good cow would produce you a pound of butterfat, so you say I'm getting fifty-seven cents a day out of that cow. By 1935, '33,

'35, butterfat was generally about thirteen cents a pound and so you couldn't milk fast enough to make fifty cents an hour if you had the cows fed free. So, when I went to work for the Grange, the way I got rid of my milking chores was to get one of my neighbors to take care of the cows and I gave him everything he got out of them; he got all the milk, I furnished the feed. In other words, he got the milk for free and that way he could afford to spend some time milking the cows. So, getting rid of some milk anyway, anyhow was a good idea and if it helped the kids it was a better idea.

**Mr. Rogers:** I note that the Legislature moved to the sticky area of regulating pilots on Puget Sound, and there was passed during that session, Chapter Eighteen, which created the board of Pilotage Commissioners for Puget Sound and adjacent inland waters. They licensed pilots, set fees, in order to regulate an area that had been in dispute many times between the tugboat operators and the industry and that sort of thing. Do you . . .

**Mr. Hodde:** Well, I don't recall too much about that, but I would call attention to the fact that during this session, and during this period of the thirties, not only were we moving into a welfare situation that recognized the public responsibility in taking care of the poor, we also were moving very rapidly into a period of regulation of many activities.

**Mr. Rogers:** Trades and industries.

**Mr. Hodde:** Yes, for instance, well, not only that, but we created a Board of Prison Terms and Paroles at this session, for example. You just find innumerable instances of where we're moving in to this kind of government operation by boards and commissions. We hear our governor today screaming that there are far too many of these that operate somewhat independently. I haven't heard him say that he wants to take over appointing of the pilots for examining, but this is really, just more in my mind, an indication of the pattern of government and industry that was developing during this period.

**Mr. Rogers:** I note also that Initiative Measure Number Two to the Legislature, the well-known Blanket Primary Ballot that the Grange sponsored, became law as Chapter 26 in 1935. That meant that in all primary elections, all voters would receive one ballot with partisan candidates listed. They didn't have to have a separate Democratic or Republican ballot.

**Mr. Hodde:** This was a Grange sponsored initiative. I think it's rather interesting that this is Initiative Number Two to the Legislature. Initiative Number One to the Legislature was the Grange Power Bill. Nobody else had tried using this approach. Now we did, in our initial efforts, try to initiate the Blanket Primary to the people, but we were not able to get the enthusiasm up to get the signatures in time to meet the deadline, which was in July for an initiative that would be going to a vote in November. So, it was my suggestion when I was called in on

it, that we set up a method of getting signatures that turned out to be exceedingly successful. We got practically all the signatures for this initiative in one day. That day, of course, was primary election day. Recognizing the law that says you can't stop a person going in to vote or contact him within so many feet of the polling place, we asked our Granges, and a few others—labor unions helped us some in the cities—to get somebody to every polling place possible; two people, we wanted them in pairs. They were to have their petitions there and never talk to anybody; if they want to stop and talk to you when they're going into vote, tell them, "See me when you come out." They see you with a paper in your hand and they want to know what it is, so they come out, one question: "Did you have to tell them whether you were a Democrat or a Republican to get to vote?" They said, "Yes." "Would you like to be able to vote without doing that?" "Let me sign your petition." We just picked up about ninety-some percent of everybody who came out and we got all of our petition signatures necessary to get it to Legislature in that one day. Then, when it went to the Legislature, the general feeling was that this Legislature, elected under the partisan primary, would never pass this. No way would they ever pass it. So, that was one of my chief lobbying activities to get that passed. It actually passed the House rather easily—something like eighty percent of them voted for it, eighty out of ninety-nine or something of that type, however in the Senate, it was extremely close. There was some confusion, which is sort of interesting, I think, because nobody had ever had a vote taken on an initiative to the Legislature before. The Grange power bill, they just ignored it and it went to the people at the next election, but in this one there was the question of whether it had to be turned into bill form in order to be voted on or whether it really would be presented, not as bill number so and so, but as an initiative to the Legislature. The Senate actually kicked this around quite a bit. They finally agreed on a way to do it and, of course, it's been used since that, but it was handled as an initiative without a bill number, was my recollection of it. It got into the Senate and it was extremely close, the tally there. I mentioned, in the first transcript I made, that I said it was Senator Post; actually it was Senator Brunton from Walla Walla, whom I'd worked hard with. Senator Brunton, he did not vote for it on final passage, he told me he wouldn't, but he was sufficiently interested to help keep it from getting killed. When there was an effort to postpone it indefinitely, when it looked like it might be killed, he voted with the supporters so we had that close a situation there. The comment that I always recall, and the one that got published somewhat, was that he told me in the last time I talked to him, before we were to come up to the final vote, he said, "Charlie, I'm not going to vote for it, but if I ever get accused of murder I want you for my attorney." The other thing that I took a lot of delight in was *The Spokesman Review*, who had repeatedly editorialized, "The Legislature will never pass this, they'll never pass it," when they did, they had a boxed in front page story, just a little short one by their Olympia correspondent, and it was headed, "Charlie Hodde, King of Lobbyists, He did it!"

**Mr. Rogers:** Much to their surprise.

**Mr. Hodde:** Oh, very much to their surprise. And there have been efforts since and there can be arguments made that it's a partisan system and all of that, but there's never been a really strong sentiment to get rid of it except on the part of some party people.

**Mr. Rogers:** It's certainly withstood the test of time, that's for sure.

**Mr. Hodde:** And I've been amazed that other states haven't picked it up. Most states still choose to vote one party in the primary.

**Mr. Rogers:** Although California has a crossover system, I believe. Chapter Twenty-seven of the laws of 1935 is an exemption statute; could you explain that?

**Mr. Hodde:** Well, there had been a lot of problems with the assessment of household furniture. The assessor would come around to my house and he'd sit down there and we'd list the livestock and all of that, at that time the assessor made all the contacts. What burnt us up, some of us that were involved in getting this exemption, was that he'd look around and look at my furniture and he'd say, "Well, \$500." Well, you know that was less than I'd have to pay for it, so I said sure that's all right, but he'd probably do the same thing when he went over to the millionaire neighbor that had a \$50,000 bunch of furniture, and would stand right in the middle of a \$5,000 rug and give him the same assessment. So, the great difficulty in trying to determine the value of household goods led us to believe that it would be just fair to exempt it all. Sure, we exempted the guy with the high priced stuff too, but he was practically exempt anyhow, compared to the total value. So, the Legislature bought this, but they did continue the three hundred dollar exemption that is permitted in the Constitution on personal property, which, in effect, could include an automobile if you had one, which was subject to taxation at that time, So, it was a decrease in the tax base, no question about that, but not a very big one.

**Mr. Rogers:** Along about this time, there began to appear in the statutes of the state of Washington bills and laws relating to civil service and fire departments, totally paid fire departments. For instance, totally paid fire departments in non-charter cities were empowered to have a civil service system and to start down that avenue. Do you recall . . .

**Mr. Hodde:** I don't have much recollection about that as being anything. We didn't have rural fire districts in the areas that were generally agricultural at that time. If we had the Natural Resources Department, its predecessor around, they usually helped fight fires in rural areas, but I don't think as a Grange lobbyist that I took any part in that. That was, Civil Service was an unusual thing at that time, practically, and the federal government was the only one that had it, so that would be the start, probably, of the Civil Service.

**Mr. Rogers:** Another feature of the regulatory aspects that were beginning to come into our law, there was Chapter 32 authorizing cities to adopt ordinances regulating building construction, plumbing and wiring. That was carrying on that trend that you mentioned about regulation.

**Mr. Hodde:** I'm very much aware of that one, because in addition to farming activity, a little later I did some electrical work. I studied electrical engineering when I was out of high school, actually got a mail order diploma as an electrical engineer. I had never really used it, but I was interested in this and I did, within a few years—I think it was 1938—I started wiring houses when R.E.A. came in; so, I was quite interested in what's going on in relation to these building codes. Now, the state had a wiring code, but the cities wanted a more stringent control over the way wiring was done than the state.

**Mr. Rogers:** In the larger cities, particularly.

**Mr. Hodde:** Yes, in the larger cities, and so that was the reason for giving them the power to add to the state's regulation. The state really, admittedly, was not very ambitious in their enforcement. They probably enforced it mainly on the basis of complaints, whereas later on, within a very few years, every job was inspected. Sometimes two years late, but nevertheless they'd get around to inspect it eventually.

**Mr. Rogers:** World War I had been over less than twenty years and I know a piece of legislation that was enacted into law calling for the relief of the American Veterans of World War I. Five-thousand dollars was appropriated to the disable American Veterans of the World War to assist in claims for compensation on the basis of disabilities they had incurred in connection to their service. That is another chapter that indicates that a new social consciousness was coming forward.

**Mr. Hodde:** I think that's all that I would have to say about it too, because it again, is not an issue as a lobbyist that I was, it was not an agricultural issue specifically, and so it wasn't anything that I took any active part in. Later on, as I got to be a member of the sessions, I got involved in many of these things that if you're working for a specific group or a specific industry, you tend to stay out of some of the others just in order not to alienate support.

**Mr. Rogers:** It's an easy way to make enemies.

**Mr. Hodde:** Yes, it's an easy way to make enemies, so that's not something that I was involved in. Just an example, though, of something I would be much involved in, to show you the difference, in the cities I don't suppose anybody gave a hoot about cougars and lions and bobcats and all that kind of stuff, but the farmers wanted a bounty on them because there were too many of them. The cougar—and they argued I think successfully—that the cougar were killing the deer, which were good game animals. So, there was a

bill passed during that '35 session that put a twenty-five dollar bounty on cougars, as opposed to some more recent legislation that makes them an endangered species. At that time there were too many of them and they wanted to get rid of them, so you could go out and make a living killing cougars if you were in a good territory like Colville. Lions and bobcats, they only paid five dollars, and coyotes were only a dollar apiece. But then if you're going to kill a coyote anyhow, why not get a buck, see, so you saved his ears, you took his ears in and you got paid for them. I forget who paid you, but anyhow, that kind of stuff attracted my attention, whereas you might say, well, from the standpoint of the state as a whole that's pretty insignificant.

**Mr. Rogers:** That was 1935 game management.

**Mr. Hodde:** Right, that's correct. Let's stop just a minute on that too, because it was only in 1932 or '34, I can't remember which, when the state took over the whole game deal. It used to be county game departments, and I believe that was in the '33 session. No, it was an initiative passed in '32, and so you see, here we are moving into a state developed and organized system as against the old county one.

**Mr. Rogers:** The planning commissions in cities and towns and counties, and regional planning commissions, they had their birth in this session. This seemed to be the stirrings of the planning movement, to regulate development, to prepare comprehensive plans on the part of cities and to adopt them by public hearings. There's a whole body of law here that said it's wise to plan. That was part of the New Deal ideas to have a planning mechanism in place, in the federal government as well as in states and localities.

**Mr. Hodde:** This is part of what I mentioned before. The movement toward regulation of what otherwise was considered private activity. In other words, up until this time we still had people who'd think they ought to be able to go out and build any type of house they want to, and it's their responsibility, and if it's a bum house, they've got their own bum house. But, we start moving into this, the same thing with development; if I've got a piece of land out here and I want to turn it into housing, why can't I? Well, now, of course, we say, well, you can only put one house on an acre, or five acres or whatever. So, the planning was to get some order as we became more crowded, and it really starts developing pretty much in the 1930s.

**Mr. Rogers:** A piece of legislation that is of interest here is Chapter 48, which defined educational requirements for the practice of chiropody, and regulating the practice and the licensing of foot doctors. So, apparently we had a bad situation with foot doctors that needed some correction and they came to the Legislature?

**Mr. Hodde:** I really think the bad situation was that those that could qualify didn't like the competition. So, sometimes you'll find that when you get into a new licensing procedure, it's to narrow the number of people that are in the business.

**Mr. Rogers:** I've noted that in the law.

Another act that tied the state of Washington in with the federal government was an act expressing the consent of the Legislature of this state to the acquisition of lands for National Forests by the federal government, for the protection of watersheds and the navigatable streams and conserving the navigability of the rivers. That tied us in with a movement that was taking place in Washington, D.C.

**Mr. Hodde:** Actually, there's usually something behind an act like this that you have to understand or you wonder why they were moving that way. What was happening during the early thirties was that cutover forestlands were being just eroded off the tax base. In other words, you get done with your logging, you just let land go back for taxes and so the counties end up with huge acreages of land of this type. Now, I'm not able to tell you exactly whether it was the '35 or the '37 session without researching it, but it was almost coincident with this that a law was passed that allowed the State Forestry Department to take over these title lands and operate them as trust lands for the counties. Most of the counties did this with the exception of Grays Harbor County; they still operate their own. But, there were two other counties that I represented in the '37 session that wanted to do something different too, and this may have been the basis for this particular act you're talking about, because we wanted to sell those tax titled lands to the federal government because they had established the Colville National Forest with part of it in Idaho and part in Washington. And these lands were scattered all through their holdings and so we had to get permission from the Legislature to make this transfer and that was opposed by the head, at that time, of the State Forest Division because they wanted to take over all of these lands and keep them. They didn't want the federal government to have them. I was able, on behalf of that district up there, to get the permission to sell and we then sold this land for about three dollars an acre to the federal government. The sidelight of that is that Stevens County built a brand new courthouse without borrowing a dime, with the money they got out of those tax title lands, which on the market had no value, really.

**Mr. Rogers:** Probably re-elected those county commissioners many times.

**Mr. Hodde:** Yes, I expect we did, but anyhow, it worked out pretty good for them because the thing that we also were aware of then, when we promoted this, was that here's a National Forest that has virgin timber over in Idaho; Pend Oreille county had some; we didn't have much of that type of timber in the part that's in Ferry and Stevens County, but when they sell timber off the National Forest, twenty-five percent of the proceeds goes to the county. They don't go to the county where the timber is cut, they go to the counties in the proportion of the acreage that they have in the National Forest that's involved. So, in this case, we immediately began to get some very significant returns from that date from the timber that was not even being cut in Stevens County,

where under the state proposal we would only get revenue when timber was cut from the lands that they were administering for that particular county. So, at the present time now, those lands have merchantable timber growing on them fifty years even in that area, some of the small stuff can now be logged and so I don't think that particular advantage still holds, but at that time it was very important to our counties.

**Mr. Rogers:** As the lobbyist for the Grange and farmers of the state, the passage of the Agricultural Adjustment Act must have been something of interest to you. Chapter 78 declared the existence of a state of national agricultural emergency and provided for regulation and control of the production, storage, transportation, industrial advertising, merchandising, price, and distribution of agricultural commodities.

**Mr. Hodde:** Well, there's one thing you may not have noticed as you looked that over, Jack, is that this was not an act that was intended to do what the federal government was doing in the farm program. It specifically exempted from this act all cereal crops because those were being supported by the federal government through a program that still exists, in fact ( ) limited acreage, and they took over the surpluses and they guaranteed a certain return.

**[Tape Three, Side Two]**

**Mr. Hodde:** This state act was made to apply to those crops that were not covered under the federal support program: apples, potatoes, vegetable crops, anything except cereals. The Federal Crop Support Program gave some support to wheat farmers, barley farmers, corn farmers, you know, that type of thing, cereals basically. So, this never really got to be a very big thing except it did give some support to these crops and at that time the apple growers in the Wenatchee area were really in a bad way. My God, the apples were worth forty cents, fifty cents a box, and boxes were costing them eight or ten cents. They were hardly worth picking. Things did pick up after that rather sharply; really it was six or seven years before apples really became a profitable crop again, but this was an effort on the part of the state to fill some of the holes that were left in the federal act.

**Mr. Rogers:** The state faced some problems in that day that are problems of transcendent interest today. For instance, I note the establishment of a state narcotic farm colony. The drug problem was growing in 1935, so the Legislature said that the prosecuting attorney, by affidavit, could file a complaint in Superior Court and they could arrest and hold a hearing in the trial on persons who were addicted to the use of narcotic drugs. Do you recall that legislation, and whatever became of it?

**Mr. Hodde:** Given the authority, the problem at that time was, of course, peanuts compared to what we faced in later years, but there was a tendency to make money any way you could. So, out in the rural areas we sometimes had people, I don't recall that they were raising marijuana, and I'm trying to remember what it was,

there were some other weeds, we'll call them, that had drug problems that they were involved in. It seems to me, there was one type of tansy that had drug related possibilities, and so, while it wasn't a big program at that time, it was recognition that there were problems of this type. It did not affect agriculture specifically, and again I wasn't really involved in it.

**Mr. Rogers:** I note that the Legislature dealt with the problem of taxation on dogs. They authorized the county to tax dogs, males at a dollar, sterilized females at a dollar, and unsterilized females would cost two dollars and fifty cents. This was either a revenue measure or perhaps they were trying to cut down on the dog population, do you recall?

**Mr. Hodde:** They were trying to regulate them, find out whose dog it was that bit my kid. That's the main thing, to get a license tag on them and of course, somebody decided to tax the females a little more, and they thought that might encourage spaying. Dog problems haven't changed much as far as I can tell. They still bark at you and bite you once in a while.

**Mr. Rogers:** The Legislature moved also into the area of collection of wages in private employment. Up to that time, apparently, if a person didn't pay the wages to his employee that was due, there was little recourse. But, here in Chapter 96, it says that the state could act in this area. That was a new act and probably . . .

**Mr. Hodde:** Here again you're in a labor field more than an agricultural field and I have no recollection of taking any active part in that.

**Mr. Rogers:** Do you recall the passage of the legislation regulating the issuance and sale of securities? The effort there was to prevent fraud in the sale of securities and it became law during that session, and perhaps, in later sessions, was expanded.

**Mr. Hodde:** I'm sure it was, and again, I don't recall that I had any active part in it or would have anything specific to say about it.

**Mr. Rogers:** Another regulatory act that the Legislature passed related to drugs and medicine. Regulating the sale and dispensing of drugs, requiring licenses and registration of the privilege of selling, or dispensing, or compounding of drugs, of fixing of fees, created the State Board of Pharmacy and prescribed penalties.

**Mr. Hodde:** Here again, you're just into another movement toward regulation of private industry. Whether you think it's good or bad, this is the period when it really got going. I've already mentioned that a number of boards were created. One thing, well go ahead, you have some other questions I'm sure.

**Mr. Rogers:** No, proceed with your thought there, Charlie, and I have some other questions about this: the creation of regulatory legislation as it came into our law.

**Mr. Hodde:** The things that were developing at this time also, we haven't really touched the big one yet and I'm sure you'll want to get to that, is the Revenue Act of 1935, but we also passed a bill and it's of a lot of importance right now, but at that time it wasn't such a big deal, to allow the creation of library districts and joint library districts in order to get library service out into rural areas. Other than that, libraries were a cities thing, and so, just part of the growing-up movement that was going on at that time, this type of thing went on. There's one other item that there was a lot of importance in, that I took quite an active part in, and that was the method of trying to not only help the taxpayer who's delinquent, but the taxing districts that had difficulty. So, some legislation was put together to try to smooth out these things, having to do with issuance of warrants and various things of this type. We were still trying to get out of a very severe Depression in '35 and so, you find legislation that's kind of hard to understand in the context of today that was of quite a bit of importance at that time. Chapter 166 of that session was a ten-years payment; it allowed you to pay your delinquent taxes with some restrictions over a period of ten years. In other words, you'd make two payments a year, ten percent of your back taxes, as long as you kept your current taxes current. Then you paid six percent interest on this, but instead of foreclosing on you when it was five years delinquent, you were allowed to finance in that manner and spread it out.

**Mr. Rogers:** It was a remission of interest on delinquent taxes.

**Mr. Hodde:** On the delinquent part, yes, just paid tax from there on in.

**Mr. Rogers:** The social area I note, Charlie, was coming more to the forefront all the time. Here's pensions for blind persons, the 1933 act was amended to set into place pensions for blind persons and to provide blind persons with help at the polls when they went to vote, by using their spouse or a near relative, who could see, to go into the voting booth with a blind person. A social consciousness is emerging on the land, I see.

**Mr. Hodde:** You might add to that the '35 session passed the first state unemployment compensation law.

**Mr. Rogers:** Yes, I'm going to get to that in more detail. The Public Works Projects Act of that session simplified the procedure for construction and financing of public works projects by municipalities, enabling them to make and confirm contracts with the federal government and federal agencies. Another social act, Chapter 110 on dependent children, providing for aid to dependent children and defining them as children less than sixteen years of age. They adopted a statewide plan to be administered by the Department of Public Welfare and created a division of child welfare, subject to the supervision and control of the governor. This federal act was being passed and the state was complying with the federal act, which was often the case. I note in the '35 session laws, that they anticipated the passage of federal acts and passed a state act, which sometimes would only become effective if the federal act passed.

**Mr. Hodde:** Yes, that's still being done from time to time.

**Mr. Rogers:** Now, I note the disposition of the motor vehicle fund, they authorized, what we call, a force account on day labor with road crews and created a secondary highway fund in the counties. Now, I'd like to ask you, Charlie, if this is the act where the percentages to counties of the state revenues was kept the same and re-enacted. Was that the legislation that you discussed with me one time, that where you created a . . .

**Mr. Hodde:** Yes, I believe it is, Jack, because they'd had a long struggle. The thing that occurred was when they passed the 40-mill limit, it cut out a lot of property tax support for roads and there had been gas tax money going to roads, but in effect, it was made very specific (that the money could only be used on specific roads). The shortage of money in the counties and the fact that more gas tax was being allocated created the problem of how much each county gets. All kinds of formulas had been attempted, how many miles of road and all this, and everything always came out with either more money than—and those people would favor it, or less money than they're presently getting—and those people would be against it, and very violently opposed. I had some support from Tom Hedges, who at that time was a tax commission member and a gentleman who later became mayor of Seattle, McKay, but at that time he was a county engineer in Thurston County, we sat down together and . . .

**Mr. Rogers:** He became the mayor of Olympia.

**Mr. Hodde:** The mayor of Olympia. We sat down together one Sunday evening and I'd suggested to them that what we ought to do is just pick a percentage.

**Mr. Rogers:** I think his name is Neil McKay.

**Mr. Hodde:** McKay, I believe that's right. Anyhow, Neil furnished us the equipment from the county office to make all the calculations, and what we did, we just added up what would constitute their present income and made a percentage out of it, and then gave them the same percentage of the new money, and that was it, in effect, for ten years before it was changed to a formula.

**Mr. Rogers:** Nobody could be too unhappy.

**Mr. Hodde:** No, they'd just check it out and it was about right, so that was the way we did it.

**Mr. Rogers:** Another comprehensive act of the period was Chapter 112 on dentistry. It defined and regulated the practice of dentistry and created a dental examining board composed of three practicing dentists. Again, this is a harbinger of regulatory legislation that was coming into a growing state. Do you recall the dentistry act?

**Mr. Hodde:** Yes, only, the only reason I recall it hardly at all, my teeth were pretty good then, I wasn't worrying very much, but Davy Cowan, Dr. Cowan, was a dentist from Spokane and he was an advertising dentist and most of the controversy in developing it was whether they were going to prohibit dentistry from

advertising. At that time they could only really just say, "Here I am, I'm a dentist." They gave a little to the doctor and they got some regulation going on anyhow. I suspect, and I can't recall specifically, that there was some sort of regulation prior to that, maybe not much more than just a certification of their ability, but this became much more specific.

**Mr. Rogers:** You mentioned earlier, Charlie, the creation of the Board of Prison Terms and Paroles; there was some unhappiness apparently about the sentencing procedures and the handling of the prisoners after they had been paroled, and that sort of thing. Did that bring on this change?

**Mr. Hodde:** Well, I think so. I think the main thing was that the things that happen at trial time are sometimes very prejudicial to the convicted felons' future, and other information, things like good behavior and all that, which might justify an earlier release, had to be decided by somebody and the Board of Prison Terms and Parole pretty much was created to take care of that kind of a problem.

**Mr. Rogers:** They wanted to move toward rehabilitation of a criminal?

**Mr. Hodde:** Yes, rather than just penning them up and saying "you're bad guys," why, we were getting into other things at that time like work programs in the prisons, to teach them trades and stuff of that type.

**Mr. Rogers:** You also mentioned, Charlie, public libraries; the state declared a policy during this session of the Legislature, as part of the state's provision for public education, to promote the establishment and development of public library services throughout its various sub-divisions. Not just in the cities, but in the regions and the counties as well. That certainly was an important enactment.

**Mr. Hodde:** It was, and some counties took advantage of it rather quickly, although there are still areas that don't have library service. Of course, they created some problems for us when they went into this; this was sort of the beginning of the development of a great many special taxing districts, districts for certain purposes. At the time that I first got interested in this, we didn't have anything that were less than city or county size to speak of, except we did have school districts, of course, which didn't follow those particular lines. We had irrigation districts, those created for a special purpose of that type, but here we get into the question of having service districts—government service districts—on a geographical basis. So, we end up with fire districts, we have library districts, we have recreation districts, court districts; they just became more and more as time went on. It is creating problems in the overlapping, principally because of the controls in the property tax. But, they are a well-established institution now.

**Mr. Rogers:** The volunteer fireman who worked free of charge, responding to fires many times in rural areas, were considered by this Legislature, so injured volunteer firemen, and their widows and their orphans were

given some relief. Another indication that this legislature in '35 was strongly looking to the social aspects of our civilization, I note, also, there was a passage of a Washington State Industrial Recovery Act. This was in effort to tie in with federal programs of recovery; another indication that the state of Washington was going along with New Deal efforts to alleviate the situation of unemployment and farm distress and various other things.

**Mr. Hodde:** Some of these things didn't amount to a whole lot more than just an expression of support for the program. The state, generally, was not financially able to really contribute, but they could at least make a state supported activity, in the sense that they had a relief act that authorized that kind of activity.

**Mr. Rogers:** At that time, the Unemployment Compensation Act was passed. Now, that tied in with a federal act and it, in truth, became a functioning agency and started the system of paying relief in the form of cash payments to persons who were involuntarily unemployed, by no reason of their own fault, but they just couldn't get a job and so they were helped.

**Mr. Hodde:** We had a system that started at that time, which was a joint federal state system. In other words, the federal dominates it, but it still has to have the state act to implement it, and that's when it got started. This is only, after all, three years after Roosevelt took over that we're talking about here.

**Mr. Rogers:** That's true. I note also, that the Legislature was beginning to consider bridging the rivers and bridging the Sound. Later on in that session, they passed an act relating to the Tacoma-Narrows Bridge; they passed an act relating to a bridge across the Columbia River in Wahkiakum County, down there in the Cathlamet area.

**Mr. Hodde:** Now, that one didn't get built, of course; the Tacoma Bridge got built and then fell down once and had to be built again.

**Mr. Rogers:** How well we all remember those events. Now, there was a little bridge over at Bremerton between Bremerton and East Bremerton and the state undertook a survey and valuation of that toll bridge and eventually the state purchased it. And there was a survey of the Brewster Toll Bridge across the Columbia River and eventually there was a new bridge built there at Brewster. There was also a Bridge Act passed relating to the construction of a bridge across the Snake River between Clarkston, Washington and Lewiston, Idaho. Federal government and the state of Idaho and Washington all were cooperating on that.

**Mr. Hodde:** They did build a bridge there, too. You know, we get into that if we have some discussions on later periods, because I was on the Toll Bridge Authority for quite a period of time. The most spectacular one of the 1930s period was one across Lake Washington, the first floating bridge across Lake Washington. But, we were moving into state supported transportation system development very heavily in those periods of time. If you

go back into the twenties, I don't know whether you ever heard of the so-called Donahue Act, but the first state roads that were built in this state were built like a city improvement street. In other words, they had assessments on adjoining property, which was supposed to specifically benefit. The Aurora Avenue Bridge was built that way, and I think I've mentioned in our earlier discussions that one of the biggest problems in the '33 session was to bail out the people along the Aurora Avenue Bridge. Well, that same situation existed in Walla Walla along one of the highways that was built under the Donahue Act over there. So, the state moves in and takes on the primary responsibility and we begin to think that having a major highway right by your farm really didn't improve the value of your farm, it hurt it. So, it's a change in attitude in relation to where the responsibility lies for these improvements.

**Mr. Rogers:** The Liquor Board, the state liquor control system was created in the 1933 special session, early in 1934, and they didn't provide, however, for the licensing of wineries and the taxation of wine. So, the 1935 session undertook to correct that matter.

**Mr. Hodde:** That's not something that I had anything to do with and so I . . .

**Mr. Rogers:** Were you interested in flood control legislation?

**Mr. Hodde:** Absolutely, yes.

**Mr. Rogers:** The 1935 session passed Chapter 159, which placed under the supervision of the Supervisor of Hydraulics, the matter of flood control. State regulatory control over flood waters was to be exercised through regulatory orders, designation of flood control zones, issuance of permits and regulating planning and construction, and operation and maintenance of various works and structures built in connection with it. Now, I know that in your later political life you became connected with the River Basins Commission, could you tell us about the movement of flood control?

**Mr. Hodde:** The movement on flood control, at that time—and you have to realize that I'm in there representing the farmers and we were most concerned that they not invade our private rights too much in trying to protect the city downstream. Most of the flood damage was not to agricultural land; a lot of agricultural land was farmed in this state that benefited from floods. Now, it wasn't very nice to have the flood come in at crop time, and destroy your crop, but that's what built the fertility in the big river basins.

**Mr. Rogers:** The delta.

**Mr. Hodde:** Not only the delta, but in the level reaches the flood brought the silt in and built up the land. So, I can't remember our specific complaints or problems of that time, but we were mostly trying to protect the property rights of the people that would be involved in the new regulations and this type. Basically, the damage

was being done in non-farm areas. Sure, we got in—as you mentioned and we might want to discuss that sometime—but we got into some much more difficult problems as time went on. We eliminated quite a bit of the flood problem in big rivers here by damming them up, and storing in reservoirs and controlling the floods, which was a federal program, but it needed state support in many instances and this was what this act was for.

**Mr. Rogers:** There're several acts related to flood control. I note that one of them had an appropriation of fifteen million dollars, or authorizing a state debt of fifteen million dollars to carry out the Flood Control Act. There were seven more sections and another act on policy for the control of floods, and as you say, what really controlled the floods was when dams were built and the water flow could be controlled.

**Mr. Hodde:** That didn't help on the west side very much; our power structures and so on, on the west side are mostly sort of run-of-the-river type. They don't have the big storage reservoirs we have on the east side.

**Mr. Rogers:** Another act to regulate a profession was passed in this session when the Engineering and Land Surveying Act was passed. It related to regulating the practice of the profession of engineering and land surveying and I presume that you looked that over pretty carefully.

**Mr. Hodde:** To some extent, here again, what you're trying to do is regulate a profession, really, and it's just another step in the regulation of private activity. Specifically, I probably didn't have a great deal of interest in it except as a part of this whole program. So, it's not a thing that, as a Grange representative, I was particularly concerned about.

**Mr. Rogers:** Another area, the Drainage Districts Act, created additional powers for the commissioners of drainage districts. Providing for the levy and collection of assessments against the land, not only the floodwater, it was the drainage water that needed to be controlled.

**Mr. Hodde:** That's just like putting more water on the land and sometimes when you do, you need to get it off. But, there were drainage problems and possibilities of development of other lands for agricultural use by getting the water out of them. So, it was just another one of those elements of development.

**Mr. Rogers:** I note that a present-day problem that has not been fully resolved, that was in existence in those days, the Short Firearms Act was passed. It was an act to control, or an effort at gun control, to control crimes of violence. Do you. . .

**Mr. Hodde:** No particular interest in that. We were generally rifle packers as far as being out in the country was concerned, but these are the kind of problems that are generally city problems and you have to realize that a farm representative, again, has got other things that he's working on. He's got a Blanket Ballot Act, he's got a brand new revenue act, he's got all kind of things to take his time up that are of a great deal more interest to the people he represents.

**Mr. Rogers:** One of the most important acts of the 1935 session was the Revenue Act of 1935, which really codified the tax system of the state of Washington. I'd like to have your comments in connection with that.

**Mr. Hodde:** The Revenue Act of 1935 wasn't all new legislation; as you know, it was sort of a compilation of what had been done in '33 and '33 special, plus some added revenue features. I'd just like to run through, rather briefly, what all it included, because most of them are still our basic tax system. It provided for a B&O tax and the B&O tax was a ...

**Mr. Rogers:** B&O means Business and Occupation Tax.

**Mr. Hodde:** Business and Occupation Tax. The tax on the gross income of business, and it had rates running, most of them were at a quarter of one percent, but there were some variances there. They included a tax on chain stores, stores where they had more than one outlet, at a half of one percent, but Martin later vetoed that. The Retail Sales Tax and the Compensating Tax, or Use Tax, was the second big feature of this. They started a two percent sales tax, or use tax, whichever it would be, but they had a lot of exemptions that have since been eliminated, and other new exemptions been added. At that time, casual sales were not included, in other words, if one farmer sold a piece of equipment to his neighbor, there was no sales tax, which is not the case anymore. The Use Tax applies to the person who bought it then. They also exempted some of the things that are still out; public utility sales were taxed under the Utility Tax, which was at a higher rate than the B&O, but lower than the sales tax for most of them. Motor vehicle fuel was taxed only if it was not taxed for transportation support, and certain food products were exempt—not a real broad exemption, but the basic items like fresh milk, and fresh meat, and unsweetened bread, and fresh vegetables, and that type of thing were exempt from the sales tax as it started out. The Public Utility Tax varied from three percent on the railroads, and a half a percent on city buses, and highway transportation was one and a half percent, including trucks, hauling, that type. Gas distribution was two-percent, so it varied even then quite a bit. You had an Admissions Tax, one cent for each twenty cents, or part thereof, in other words, a five percent tax, generally, on theatre admissions, any admissions to entertainment of that type. There was a tax on liquor of ten percent included in this. There was a tax on conveyances; we still have a part of that. This means transfers by deed, fifty cents for each \$500 of value. They had a tax on stock issues or transfers of ten cents per \$100 of face value. The governor vetoed that; he didn't want any of that. We had a tax on radios, income to radio stations of a half of one percent. It runs in my mind that they later were able to get some of that knocked off under lawsuits involving a tax on interstate commerce. We had a fuel oil tax of a fourth of a cent per gallon on non-highway use; it'd be like for fuel oil in your home. Put a tax on cigarettes of either ten percent or one twentieth of a cent per cigarette, in other

words, if the cigarette prices went up, the tax would, or if it were below that, it would apply to the number of cigarettes involved. We had a tax on proprietary medicines and toilet preparations. This was to catch the beauty products, but the governor vetoed that also. The store license tax I mentioned, Martin didn't like, so he vetoed the Chain Store Tax. We, later on, did have higher taxed on chain stores by applying what we called a wholesaling functions tax. Inheritance and gift tax changes were practically all vetoed by the governor. We had an Inheritance/Gift Tax; in fact, our inheritance tax is the oldest tax, other than the property tax, the state had.

**[Tape Three-A, Side One]**

**Mr. Hodde:** The Legislature also included in the Revenue Act of 1935, a tax on corporate net income, but this was killed by the court. When you put this whole thing together, what the 1935 act did was codify under one section of the law, one area where you could look up practically every tax except the property tax, that was involved at that time and that still is the basic law section in our Constitution. So, just modifications of that and we've added excise taxes of various kinds; mostly we've raised the rates on these taxes as time went on and it remains the basic revenue act of the state.

**Mr. Rogers:** Well, this session of the Legislature attempted to get around the Supreme Court's decision invalidating the income tax by passing Senate Joint Resolution Number Seven, which was presented to the people for a vote in 1936, and what happened to that? That was an effort to change the uniformity clause to authorize a graduated net income tax.

**Mr. Hodde:** My recollection is that we just tacked a sentence on the end of that section that said, in effect, "Nothing contained in this section shall prohibit the enactment of a graduated net income tax." Okay. We thought the people could read that and understand it and it went down about three to one, as I recall, the vote on it. Something had happened during that time and I may have mentioned it before, but I had a feeling that the reason the people turned against it for the same reason I gave for the court invalidating it in the first place. The Tax Commission didn't use very good judgment and people were not used to making out income tax reports. Very few people were actually reporting on federal income tax at that time, because incomes were so low. So they sent out to every box holder in the state instructions on how to report. Now remember, this was going out in the start of 1933 and early '34 and the election was coming up in the fall of '34 on this amendment, or '36 I mean; we'd gotten that far along. Their reaction was also tempered by the fact that they didn't mind the sales tax that much and we had a tax system that was bringing in enough money, so we weren't under the desperate circumstances of trying to cut property taxes. Property taxes had been cut and so, this was just a first indication we had that the people had completely changed their mind regarding the use of an income tax in our

tax structure. Interesting to note that right alongside us in Idaho, Oregon, California, all around, they had started with the income tax and were slow to adopt the sales tax. Oregon still doesn't have it and Idaho didn't get it until a few years ago, so it's hard to get people to move from a system if it's supporting you.

**Mr. Rogers:** It seems to be imbedded in the mores of the people by this time, Charlie. The 1935 session cannot be left without mentioning the passage of the Narrows Bridge Act, which put on the road the construction of the Narrows Bridge. As you mentioned, before it was built, it fell down and it was rebuilt again. Another act of the '35 session was the passage of an old age pension. They created a statewide system of old age assistance and it's remarkable that the assistance was not to exceed thirty dollars a month.

**Mr. Hodde:** That's what I was going to mention; it sounds pretty cheap now, but keep in mind that thirty dollars a month was quite a bit of money in that time. It was a big help. It was a move toward what later developed into a real political problem in the late forties when the Townsend plan came along and they wanted two hundred dollars a month instead of thirty. Of course, we'd gotten above thirty by that time, but the idea of what kind of support ought to be given to poor people that are aged was changing.

There were some things that were considered in this session that didn't pass and one that I'd like to mention because I had a very active part in it. It was the beginning of the fight of what we call school equalization. You remember when I talked about the '33 session, the Showalter Bill was passed, which included the state's support of schools very substantially. However the property tax was still a very basic part of school support and the amount of property tax collected per pupil varied tremendously from almost nothing in some districts to almost enough to support the school in others. So, we had a very wide range of support, and as a Grange representative, I developed a program in cooperation with other people, which would cause the money to be paid out by the state on the basis that largely equalized the difference between the property-rich and the property-poor districts. We got this through the Senate with a pretty good majority. But, it was late in the session by the time it got through. Pearl Wanamaker was in the House and Pearl didn't approve of it; she just wanted more money. She said the rich districts don't have too much and we proposed to reduce theirs to give more to the poor districts. So, this only made it through the Senate this session, but it will be discussed again in the '37 session. A compromise between Hodde and Wanamaker, when I was a member of the Legislature, did result in setting up a school equalization program that has grown over the years to the point where now the court has come along and said that, "You have to give them a hundred percent support for basic education." In other words, absolute equalization, which wasn't attained until that time.

**Mr. Rogers:** Of course, the legislature of 1935 adjourned on March 14th, on the sixtieth day of its being. Now, you had other activities, Charlie...

**Mr. Hodde:** Let me stop there and say that's what the record says. That's not necessarily the case. The habit in those days was you never showed more than sixty days, but you stopped the clocks and they may have run several days over, I can't recall exactly, but there's nothing in the Journal that indicates what the actual time was. But, you can get some kind of hint at it by looking when the Governor signed the bills and you'll probably find that the bills that were passed on the sixtieth day, he didn't get until several days later.

**Mr. Rogers:** Yes, the sixtieth day in the session laws of some of these sessions was quite a thick item in itself.

**Mr. Hodde:** A pretty good bunch of laws were passed and it really was a clock-stop situation.

**Mr. Rogers:** Right. Your other activities—now, after the session was over, you returned to Colville to your farm and what did you do between sessions then?

**Mr. Hodde:** Well, I was a farmer, basically, but I spent quite a bit of time in Grange work. You know, I had help on the farm and was involved in quite a few other activities.

**[End of Tape Three]**

# TAPE FOUR

---

## [Tape Four, Side One]

**Mr. Hodde:** An interesting development of the early 1930s was the great number of acres of tax delinquent land that was going back to the county for unpaid taxes. Overall, they gave you almost seven years before the county actually took over your land; there were five years before the action started to foreclose. Generally speaking, that wouldn't be rushed by the counties too fast. Eventually, they had to move and within about seven years they'd be taking over property that taxes hadn't been paid on for that long a time. In the area in which I lived, a lot of this was forestland. The serious nature of the problem was shown by the space required to advertise foreclosure. At the time they advertised tax delinquent sales there were about four or five pages of small type, solid pages of ads for tax foreclosure. In relation to forestlands, there was small chance that the county would ever recover their tax money for cutover lands that were allowed to go back to the county. Some of these had been cut over earlier and maybe taxes had been paid for a short time on them, but we hadn't gotten into the era of reforestation at that time, and generally speaking, the people who bought this land or held it for some time, they really just planned to take the timber off of it, sort of like mining it, and then let it go back to the county for taxes. Personally, I actually bought some of this tax-title land from the county. I recall one forty-acre piece that I bought that was fairly close to my farm, and paid them fifty-five dollars for it; that's how much the delinquent taxes were. That forty acres had been allowed to go back to the county for just a little over a dollar an acre of delinquent taxes. It turned out that I was able to utilize it for other than timber growing and, of course, that's one reason that I bought it.

In the 1935 session of the Legislature, (during) which I was lobbying for the Grange, we tried to attack this problem in some manner to alleviate the situation. They passed a law that would allow the state to first sell land to the federal government, if that was what seemed to them the best way to dispose of it. Then, another law was passed that provided that the state could acquire these cut-over forestlands from the counties, they could take them over. Really, the only thing they had to have was a resolution by the Forest Board that these were necessary to the development of the state forest, which we were putting into operation at that time. There'd been state lands in forest use for some time, but we had a State Forest Board that administered them. I guess

if they wanted to they could have taken these lands over without the consent of the counties, but to my best recollection, this was not done. But, they did have a provision in this law that provided that if these were taken over, they would be held in trust for the county; that language was used. It provided that the counties would receive ninety percent of the net proceeds from harvesting timber off this. In other words, the state would take out its cost of operation and then ten percent of the balance would go into what was called a forest development fund and the other would be distributed to the counties and could be used by the counties and would be distributed by them in the same manner that local taxes were distributed, so that it benefited all the local tax districts. Not very much was accomplished in this matter up until the '37 session, when I came back as a member of the Legislature, except to the particular interest of Northeastern Washington. The counties of Stevens and Pend Oreille were negotiating a sale of their tax title land, which as I recollect, amounted to about 300,000 acres in the two counties, to the federal government to be incorporated into the Colville National Forest. During this same period of time, the government had what we called the Resettlement Program. A friend of mine was the lead negotiator in that area, and the buying up of little property holdings that private citizens had in this area that was being made into a National Forest. Eventually, part of it was made into a wildlife refuge, which is still in existence, the federal government, in that case, now has turned the administration of this wildlife refuge over to the state. As I recall, that wildlife refuge was about a square twenty-five miles, just east of Colville, but most of these lands that were acquired by the federal government under the resettlement program were incorporated into the Colville National Forest. It seemed desirable to the county commissioners of those counties that the lands held for delinquent taxes that were of a forest nature should also go into national forest. They had another reason for wanting to do that; if the state took them over, they got nothing out of it until some timber was harvested and they'd get their share of the returns. Keep in mind, that most of this was cutover land and even though, in those days, it was not logged as close as it would be now. A lot of the species other than yellow pine might be left on the land when it was logged, because it was quite a ways from market; it just wouldn't pay to log it. So, there was some timber on it, but very little was expected to be cut in the next fifteen or twenty years, maybe forty or fifty years there'd be a lot of it. By selling to the federal government to put it in the National Forest, they not only received some money immediately, rather than waiting for the income, but they also then would receive twenty-five percent of the returns from the sale of federal timber, I should say, their share of the sales of federal timber on the National Forest. Interestingly, the National Forest proceeds are not divided up in accordance with where the timber is cut, but rather by the number of acres in that National Forest that are in this particular taxing jurisdiction, or this county. In this case, a lot of the virgin timber that was still to be harvested

out of Colville National Forest was in Idaho and other areas and the result would be that Stevens and Pend Oreille Counties would benefit from the sales of that timber even though no timber was cut in their area. An attempt was made in the 1937 session to block the sale that had been negotiated with the federal government. Actually, it was supported mainly by the gentleman, who at that time was the top administrator of the state forests—I wish I could remember his name, right now I don't—but he had a bill introduced in the Senate that would, in effect, negate the sale, make it impossible for the county to conclude the sale. I got somewhat exercised about this and I recall reverting to my lobbying tactics and spending some of my time in the Senate rather than in the House to kill it there, because I didn't even want it delayed until it got into the House, because we were ready to go ahead with the sale over in Stevens County. We were able to get the committee that held the bill to report it out without recommendation and it went to the Rules Committee in the Senate and it just died there, so, the sale was completed. The result being, I can't remember exactly what Pend Oreille County did with their money, but Stevens County was able to build a brand new courthouse, without issuing any bonds or going into any debt at all, from the proceeds they got from the sale. Again, my recollection is that it were three dollars an acre that they were paid for this land by the national government to put in the National Forest; that was, as you would note, substantially more than I paid about the same time for tax title land, which I decided to add onto my farm.

The (state) law, as I recall, of that day indicated that while this might be principally forest land, that the proceeds that I talked about that would be divided with the counties, after expenses were taken out, did mention mineral rights and other uses as being a source of income that would be divided with the counties which would lead to the feeling, I'm sure, that the intent of the legislation was that this land be operated just as it might be any other state land except that the return for that is shared with the county. I am under the impression that since that time, there have been instances when the state has traded this land for other land, but if that has been done, it's also my understanding that the new land then is put in the same situation as far as revenues are concerned, as the land that was traded. Without any particular research on it, it was the general understanding, at the time, that about fifty percent of the value of the timber sold off these lands would be returned to the county.

A little more background on logging in those days; which could help you understand the kind of dollars that we're talking about in that time. I started logging, actually, in 1938, rather seriously. My activities before that had been pretty much like any other farmer who might cut a load of logs every once in a while and sell it to get a little extra money, maybe to pay for the feed for his kids, or for the cows, or something that was absolutely mandatory. But, the price that I received for logs delivered to Colville, to either the mill or the railroad siding,

would be for yellow pine, which was in most demand, eight dollars and a quarter a thousand. As I did once in awhile, if I bought this from the state, the general appraised price used by the state in selling land or timber off of state land, was \$3.25 a thousand. If it were quite a ways from the railroad, it would probably get down to as low as two dollars. Fir, generally, was appraised at a dollar a thousand; I guess just that the appraiser wouldn't put anything less than a dollar on it, because that fir delivered to the same point was only worth seven dollars a thousand rather than eight and a quarter. Now, it looked like there'd still be a better margin there than on pine, but fir timber was not as large, it was much heavier, more difficult to log, and more expensive to log. So many times, people did as I did; they cut the pine off and just sacrificed the rest, saying, "Well, if we leave it there, we're losing the dollar a thousand we paid for, but if we log it and haul it into the mill we'll probably lose two dollars." So, that fir timber in those kinds of situations was still on this land that the counties turned over to the state for operation as a trust account, or on the land that was sold in Stevens and Pend Oreille County to the federal government.

In one instance that I recall, I bought eighty acres of state timber and logged the yellow pine and some of the choice fir off of it within a year or so. But, you're allowed to get one extension, as I recall, or were at that time; you had two years to get the timber off and you were given a two-year extension. I took a two-year extension, and before that extension ran out, I went out and logged about another hundred thousand feet of fir off that I'd passed up as being of no value. Because, from the 1938,'39 period, up into say, 1943, the price of pine, for example, jumped from eight and a quarter a thousand to about fourteen dollars. And the price of fir went up accordingly, from seven dollars to more like ten or twelve dollars a thousand, so it became profitable to go back, because while wages had gone up a little and some costs had risen, actually, the margin of profit was much better at those kind of figures. I recall that I bought a hundred and twenty acres of National, it wasn't National Forest timber, it was what we called a defaulted stone and timber claim. There was a provision that you could homestead timber land, or mining land, whatever it might be called. They called it stone and timber land, and after living on it for so long a time and making certain improvements, but not developing it into a farm or anything like that, you got title to it. Some people gave up; they'd take out these homestead rights and they wouldn't do what was necessary, because it just turned out that they just couldn't make a living at it and so this would then go back and be administered by the Bureau of Land Management of the federal government. This particular piece happened to be alongside some logging that I was doing on privately owned land and I observed that there was quite a bit of yellow pine on it. It was very rough; it looked like a difficult logging job, but one that would be quite possible. So, I put in a bid on this federal timber, and it's interesting that the federal

government, in those days, didn't move too fast either. I put this bid in about 1940, and because it wasn't very desirable if somebody else might have moved in on it, I only bid \$250 for the timber on these one hundred and twenty acres. There was a lot of yellow pine and quite a bit of fir on it and then, because there's also a provision in the federal law that was interesting, I think, was that if you had land that adjoined the land you were bidding on, and your bid for the timber didn't come up to be the highest—well, it really was for the timber and land both, you're just buying it outright the whole thing—if somebody overbid you, you could take it at his bid, if you had land adjoining. So, I bought forty acres of county-owned tax-delinquent land, that lay right in the corner of this 120 acres, so it made a square 160 acres out of it. My recollection is now that I paid something like fifty or sixty dollars for that, because it had been cut over. There wasn't hardly any timber on it of any value. Well, it sat there and sat there for over two years; it was late in 1942 that I finally got notice that it was up for sale. Now, I had debated about raising my bid, but I thought, oh, I'd just let her go, I wasn't too interested in logging anymore, then. The war was coming on and I was getting extremely busy with my farming, and I'd been wiring houses for some time, and logging had become kind of a low-grade third choice. Well, it came up for sale and nobody else bid on it, so, all at once, I owned this land and timber for \$250. That was probably the best logging buy I'd ever made, because I went in there late in the fall and I finished up in January of 1943, just in time to get over to the start of the Legislature. And by that time, I got fourteen dollars a thousand for the yellow pine off of that area and I didn't cut any of the fir, because I owned that land; I could do that later. I actually cut about 150,000 board feet of pine off of it, so it paid out rather handsomely as far as the first time over was concerned. Figuring that I was making in the neighborhood of, let's say, four dollars a thousand on logging, that \$250 that I'd paid for that land was bringing in about \$600. Several years later, a gentleman approached me, when I was no longer logging, and wanted to buy the fir off the land, and I went and took a look at it. So, we ended up, anyhow, he gave me \$800 for the fir, which I left on there as being hardly worth logging in 1942. Then, after I came to Olympia and was no longer at all interested in it, one of the neighbors wanted to buy it, because by that time Christmas trees had become quite a valuable item and a lot of this had grown up into second growth fir and was about six or eight foot high. There was a great stand of Christmas trees on it, so he gave me \$1,000 for the land, Christmas trees and all. So, if I could have made a few more buys like that, I probably would have come out of the Colville area with more money in my pocket.

While we're talking about logging, during those days, I think it would be fitting to mention some of the situations that you run into, logging in that country. Keep in mind that we were doing what's called horse logging; the only motorized equipment in the earlier logging there were the trucks that hauled the logs out. We

did have trucks to haul them out. A few years earlier, ten or fifteen years earlier, it would have been horses and sleighs probably, but we were logging land that was pretty rough, pretty hilly, and so horses weren't very good. A team of good draft horses can pull an awfully big log down a forty-five percent grade. It takes a little care that it lands where you want it, and that you don't get rolled over on the way down, and there were accidents in the woods at that time. I logged on steep ground like that in the wintertime when we would, the first log coming down, maybe several hundred yards down the hill to where we'd be loading, you'd drag it down through about a foot and a half of snow and make a track. By the time the second one was down there, it's pretty well iced up, if the snow is a little on the damp side, so then, from there on, you'd just drag the logs over to the head of this slope and roll them into this trench and they'd go down at fifty miles an hour by the time they'd get to the bottom, and shoot way out on the flat. You broke a few logs, from the ones coming down later hitting the others, but it was a whole lot faster and cheaper than doing it in the summertime, when you had to run the horses up and down the hill maybe a quarter of a mile, and took a long time to get back up to where you're going to start down again. Doing some logging in the same general area somewhat later, the last logging that I actually did commercially, was 1935, by that time we were using chain saws and caterpillar tractors and power loaders and so on. We could afford to go much farther up the mountain in order to get timber, because it'd take the cat tractor maybe three-quarters of an hour to get up to where the trees were being felled and we didn't cut them up into logs at that point. We just trimmed the tops enough to hook the tractor onto it and they'd get several of these, maybe as many as six or eight of them all hooked onto the tractor, dragged into a bunch, and then as you went down the hill, you could go down in about fifteen minutes; it'd be somewhere between a quarter and a half a mile. By the time you got to the foot of the hill, all the limbs had been cleaned completely off the logs, just from striking against each other and rolling around, and then we'd buck them into logs the length to haul on the truck. I don't think they'd let you log that way today, because at that time, there wasn't too much concern about erosion and actually most of that land grew up pretty quickly into brush and young trees and I don't know that you could find any substantial erosion from that type of logging. But, it certainly was quick and pretty effective in getting logs down from higher elevations.

There was some logging I did in the summer of 1938 that I never forgot, because it was really my first venture into really a full time operation where you really had a crew and trying to get a lot done. We went up there in the winter of '37, '38 and felled a bunch of logs. A friend of mine cut down enough to, oh, I suppose we might have cut down a hundred thousand board feet of so, enough to run several weeks of trucking. These winter-cut logs, lying there with the snow and ice around them and all, and about May, we were getting these

logs out, and this is rattlesnake country. It wasn't too many days that we didn't run onto at least one rattlesnake during the day. I had an old gentleman, seemed old to me at that time, he wasn't near as old as I am now, but anyhow, he was my swamper. In other words, he cut the brush, got the things ready and I was driving the team that's getting the logs down at the landing where we'd be loading them on the truck. He was the one that had to watch out, of course, when he goes to where these logs had been laying all winter, that there weren't any rattlesnakes laying in the shade of the log, and quite occasionally, when you'd turn a log over, there would be a snake under it. This particular day, I'm thinking about, we had just killed one that was almost four feet long, which is an exceptionally big rattlesnake for northeastern Washington. It had some eleven or twelve rattles on it and it looked like part of them had been broken off. If you want to call it that, it was about the most beautiful snake I'd ever seen. Well, I was holding it up and admiring it after we'd killed it, of course, and this friend of mine had been pretty skittish, this swamper, about how he operated around there. I was in a hurry and I kept telling him, I said, "Look, you're damn near sixty-five years old, what have you got to lose? Let's get something done here. Don't spend all your time pushing around looking for rattlers; they probably won't bite you," and so on and so on and so on. He says, "Well, I suppose you're not afraid of them," and I said, "Well, you don't see me doing that," and I was kind of giving him a bad time. Well, it came along in the afternoon, we had to open up a new trail to get some logs out of a different slope, and it's pretty heavy underbrush, second growth fir, and so we're walking up through there, and he's following me so I can show him where I want the trail cut through. There's a big log/tree that's been down for a long time, probably a good two and a half, three feet, in diameter and pretty well rotted away, but as he's walking along behind me, he saw that log and he thought, "Boy, I'd bet he's going to make me cut through that to make a trail." He was thinking about the work that would have to be done and he says, "Uh-oh," and when he says "uh-oh," the first thing I thought about was snakes. So, I looked down at my feet, and I don't know whether you've been out in the woods or not, but little old rotting limbs that have been laying down on the ground will get little moldy white rings and spots on them, and I looked down, right by my feet was one of those limbs, but it was pretty dark under there when you'd been looking up into the sunlight, and the first thing that entered my mind was that that was a rattlesnake. This swamper of mine, he swore that I went three feet up in the air, just straight up in the air, and just stayed there, didn't come down. It was the first time he said he ever saw anybody jump in the air and not come down. Well, that wasn't quite true, but I'll admit that I sure did leave that particular spot in a hurry when I thought that was a snake. Well, it turned out it wasn't a snake, anyhow, but my friend kidded me a lot about that.

Another funny incident happened. A fellow who had done quite a bit of hauling—this was several years later—for me, got a new logging truck and, boy, was he proud of that truck. And he should have been; it was a nice truck, very well equipped and all. So, we were loading logs, actually happened to be that steep point where I was telling you we took all the logs down by shooting them down a snow chute to the level, so we had a nice level place right on the edge of the farm that we could load. There were no side hills or anything like that, and so he was putting on some very good loads to get out of there, 'cause he could load bigger and make more money that way. I was driving a team, we had what we call a horse-jammer; it really was just like a tri-pod of long poles set up that had a cable from the top and you used that to pull the logs from the ground up onto the truck for loading. Well, the swamper and he would do the loading, and I was out front so I didn't take any blame for what happened, because I couldn't see what they were doing because of the cab of the truck was in the way. The put on about four decks high of logs and some of them were two feet in diameter, probably the log load was squared up at about six-foot high by eight-foot wide, and sixteen or twenty feet long logs. They were pretty nice looking logs. But, what they had failed to do was, what we call wrinkle any of the logs; in other words, they just put down a course of logs like there'd be, say, four or five logs on the bottom, and then most of the logs going on the second course would be laying right on top of the ones that were below it, and they got up about four layers high this way. They put the chains on, and ordinarily we'd put a chain over the top and we'd have what you'd call a stretcher that you'd hook on the chain to tighten it up, and we tightened up all the stretchers. He got in his truck and started to drive off and the first thing I could tell, from out front where I was, I saw the top load of the logs shift to the right and then the second tier shifted to the right, and then the third tier shifted to the right, and by that time the logs were hanging out about five or six feet over the right side of the truck, and the truck just quietly turned right over and lays down on its side, that brand new truck. And of course, the truck driver, when he felt it going, he did what every logger's always trained to do; he opened the door on the top side and made a big jump and got out, then just stood there and watched his brand new truck turn over. Well, luckily, the way the logs were chained on, the truck bed, cab, the part that might have been damaged, didn't even hit the ground, so we very carefully, then, had to chop the chains off; we couldn't loosen the binder, it was so tight, and that sounds impossible. But we did, actually, with axes, chop the chain, break a link, so we could get the chains off the logs, move the jammer, the horse-jammer, that we loaded logs with, back where we could, and we hooked it onto the truck before we let the logs loose so the truck would not fall on down and damage the cab. We set the truck back up after we got the log load all off of it and reloaded the logs there, and there was a very embarrassed gentleman driving his truck out of there to have that happen. But, nevertheless, he got out of it; he

didn't really lose anything, except about one trip, and of course, I lost getting out an extra load of logs that day, but we really felt we got out of that pretty lucky.

The old logger that worked with me as my swamper was named Roy Hamlet, and he had an interesting story development that had nothing to do with logging, but would be kind of an illustration of some of the tensions of those times. While he was working for me, he came to work one day, and he said, "Charlie, tomorrow I'll be sixty-five years old and so I can quit." Now, old age pensions weren't very much in those days, but they had instituted a pension system. This would have been about 1940, I suppose, or '39 or '40, somewhere along in there. He was going to get something, thirty dollars a month or maybe a little bit more, as an old age pension. He had his home paid for so he wasn't going to work in the woods anymore. He had a son, that was not maybe the brightest young man, but a very nice guy and all of that, and he drove truck some. He wasn't married, probably was in his, well, along in his twenties, maybe twenty-four or five, and war broke out, the draft started, let's say it was '42, I don't remember exactly when he got drafted. Anyhow, he got drafted and went to the Army. He was home a time or two on furlough and it just seemed to be great for him, he had his uniform on and boy, he was nice. I could tell his family was real proud of him, both Roy and his wife; they thought that the kid had really grown up at last. But, then I had Roy helping me with something; it wasn't logging, but working on the farm a little bit to make a little extra money. He got a telephone call during the day from his wife and he came back from the phone and said, "Charlie, I've got to have the rest of the day off. My wife just called and we have a problem at home." And I said, "Well, that's fine." And so he left, but the next morning he was back again and I said, "Well, did you get your problem settled?" "Oh, yeah, everything's all right, no problem." He didn't say anything more about it and he worked for me a while and I'd see him and go back and forth by there—he's right on the road to town, but he never invited me to stop. So it went on for I think, most of a year, and then Roy's wife died and when I went to the funeral, here was his son, in full uniform, at the funeral. I just had to assume that he'd gotten leave from camp, or somewhere, and came home, but there was also another soldier with him and I just again assumed that it was some friend of his that came with him, but this soldier was an officer. Well, then after the funeral was all over, it turned out, and I don't remember whether it got in the paper or not, but Roy confided in me there that what had happened when he got the call at my place, that there was trouble there. His wife had been sick and what had happened, this boy could not get leave from his Army duties to come home to his mother. He thought from what he'd heard that she needed him. So he deserted; he'd actually run off AWOL and came home, and then in order that he not be forced back in, or arrested, he completely stayed secret there. He'd maybe go outdoors for a walk at night or something, but he lived upstairs.

Roy worked, and he took care of his mother. If anybody came to the door or anything, he'd immediately disappear, and he was actually able, as far as I know, to avoid anybody knowing that he was there. Actually, people from the Army had inquired, but had not really pursued, like you might think they would, in a case like this, under the circumstances . . .

**[Tape Four, Side Two]**

**Mr. Hodde:** Under the circumstances that I recited to you here, I thought the Army was pretty reasonable, because he went back to the Army. I checked up on him through his father several times, and he got to be a sort of assistant to some officer or something and came home once on a furlough after that and I saw him and he was just as tickled as he could be. He liked the Army and he really got along fine and apparently whatever they did to him, it wasn't very much. They understood the circumstances, that this kid felt like he had to be home to take care of his mother, so he didn't get into any long-range trouble.

Back to the question of working in the timber over there, before I ever got into any real logging, one of the things that you could make a few dollars working at in the winter months, when you weren't busy with farming—you milked the cows in the morning and then you had quite a bit of time before evening to work—we would cut cordwood. There was a lime kiln close to Colville where I lived, that bought lots of cordwood, and a good man, two men, working together really pretty good, might come up with at least a cord of wood a day that they could cut. To give you an idea about how much money there was in it, you still had to haul it about ten or fifteen miles from wherever you happened to be cutting, to the market over there, and if somebody else hauled it for you, you'd get about two dollars and a half a cord for it. So if you were a real hard worker and you didn't count the value of the timber, you could make about two dollars and a half per day.

I had land that I wanted to clear for farming and take the stumps out and make more farmland out of it and so in the wintertime we'd usually cut quite a bit of wood. One of my favorite partners for cutting wood—you usually like to have two people, because cross-cut saws—we didn't have power saws then—cross-cut saws work a lot better with a person on each end than they do with one guy kind of fighting it back and forth. And this guy was an Indian. I'll call him Jerry, which isn't his full name, because part of the story I'm going to tell you, I don't know if he still has relatives living around the area, but I think it's a very interesting story, and they might prefer not to have the name bandied around too much. He was a very good worker; we'd cut wood together and on occasion when I'd be gone, and he'd milk the cows for me. He lived just, oh, a mile away, and so he could get away to come work just about any time and make a few extra bucks. He had a habit of doing a little illegal hunting every once in a while, being pretty much, I think he was about three-fourths Indian; he

might have had a little white blood in him, but not very much. They had a feeling that they were privileged to take game just about any time they wanted to, even though he wasn't a reservation Indian. So, during the time we were cutting wood, I should back up and say that one of my pastimes during the summer months, fall months, was picking huckleberries. In that country, to get the good huckleberries, you have to get up over five thousand feet elevation. The land where I was farming, the area around Colville, is around two thousand feet, so that meant a three thousand foot climb to get up where the good huckleberries were. It was kind of like finding something for nothing, even though you did a big day's work; you climb three thousand feet up the mountain, you work several hours, you pick two or three gallons of huckleberries and you bring them back, and you can them up for winter. Well, I had canned a bunch of huckleberries—this was before I was married—and so I had lots of huckleberries, and surprising as it might be, Jerry had a lot of venison. So, when we cut wood, he furnished the venison and I furnished the huckleberries, and with a little bit of bread with it, we ate very well during our wood cutting days.

In 1930, '31 I guess it was, I think it was along about September, I got word that my father wasn't expected to live, back in Missouri where I was raised, and so I managed to scratch around and find enough money to go back and see him. I got Jerry to stay and milk my cows while I was gone. Without going into the story about going back there, I might want to talk about it another time, but it turned out after I got back there, my father got quite a bit better, so I got back home. But, I was gone for a whole month and when I got back, the one thing that Jerry said was that he knew now that he never wanted to be a dairyman. He kept up the work all right, and he milked the cows, but he was never going to get himself in the position again where he had to be there morning and night, milking cows and taking care of that bunch of trouble. Well, Jerry should have learned from that, but I guess he forgot, because it wasn't too much longer than that, maybe a year later, he told me that he was selling out all of his stuff, that he'd gotten a job that he just couldn't turn down and that he was going to go down and work for a man named Hawbine, an elderly gentleman who had a dairy several miles from where we lived. I don't know whether he was a widower or a bachelor, at least he was living by himself. So, he'd made a proposal to Jerry that he bring his wife and he had one child, and that they'd just move right in with him. I forget what he was going to pay him, but it was pretty good wages for that day and they'd board right there, and his wife would do the cooking for him and Jerry would do most of the milking and the feeding and all of that kind. So, I thought he was kind of foolish to get rid of everything he had, but he even sold the canned fruit that his wife had put up, because the agreement was that Mr. Hawbine would feed the family. Well, the funny part of that story is that we had a very strict guy that ran a second hand store in Colville—when I say strict, I mean a church-

member, very proper. Jerry had been into his second hand store and got acquainted with him, so he told him that he had this canned stuff for sale. So, the guy came out to look it over; his wife had canned huckleberries, she'd canned other kinds of fruit, and she had a bunch of canned meat. When Jerry told me about this, I thought, he'd split laughing, because the guy said, "Well, what about the meat, you want to sell it?" He said, "Yes, I want to sell it." He said, "Well, what is it?" And Jerry says, "I think it's veal; do you want to taste some?" They opened a can and I don't know whether they warmed it up or not, and he tasted it and he said, "Say, that's real good meat. That's about the best veal I ever tasted. How much you want for it?" I don't know what he got for it, but he bought quite a bit of it, maybe a dozen or two-dozen jars of meat from him. Well, what it turned out, of course, was that it was canned venison, but I don't think the guy that bought it ever found that out. That just tickled Jerry to death that he sold the venison to this guy that wouldn't have bought illegal meat like that, under any circumstance, had he known it. He worked for this gentleman for a little while, but one thing that he had neglected to learn and that was that the old gentleman hated dogs, and this Indian had a dog that was just a member of the family, that's all there was to it. There just wasn't any way that they were going to go without their dog. Well, I don't know how long it was, a month or two, and I noticed that Jerry had moved back into the house that he'd moved out of, and I stopped and I said, "What in the world's the matter?" "Well," he says, "I quit." And I said, "Well, that's too bad, but I thought you liked that job so much." And he said, "Well, I'll tell you, when he kicked my dog out of the house, literally kicked him out, I just told him that was it. I quit." So, here he was without any canned fruit, without any furniture and everything, going out and scrounging around. He had a few dollars that he'd saved from whatever time he'd worked there, and he's back on his own again.

About that time, Roosevelt was elected and we came in with a bunch of work programs, W.P.A., things of this type. There was an opening for workers of this type over in Okanogan County and Jerry went over there and took a job and I don't recall exactly what was involved in it, whether it was construction work or road work or what, but it paid a living wage and he was doing pretty good with it. He got into a problem there; there was one fellow working on the job that lived over there and he was the truck driver that drove the truck, and they were hauling either timbers or construction supplies for this W.P.A. project or whatever it was, and the guy went home, and for some reason when work time came the next day, he didn't show up and didn't show up with the truck. Without the truck, there wasn't anything that the crew could do; they had to have the truck, so the foreman of the job told Jerry, "You go over to that guy's house and if he's sick or something, you just bring the truck back with you." So, Jerry went over there and the guy answered the door when he hammered on the door, but he says, "I'll bring that truck when I'm good and ready and you just go back and tell them I'm

the truck driver and you forget about it.” Jerry figured, “Well, the boss sent me after the truck, so I’ll get it.” He went back to his place and he picked up his little six shooter that he kept hid away somewhere and here he comes back and he comes up there and he gets in the truck and he’s going to drive off with the truck and here comes the guy out of the house and he tries to pull him out of the truck and says, “I told you to leave that truck alone; I’ll bring that truck when I’m good and ready.” And Jerry said, “The boss sent me after this truck and I’m going to take it.” The altercation, we don’t know the details of course, but it ended up that he just shot the guy and then took the truck and went back to his job. Well, it seems that the court didn’t think that that was enough reason for killing the guy and so he spent quite a few years, I don’t know whether it was the rest of his life, but anyhow, he got a jail sentence out of it and that was about the end of my contacts with Jerry.

There’s one other story that I should tell about Jerry and that had to do with deer again. I had a neighbor, a Mr. Scroggs, who had an orchard. Later on, I bought that orchard, but during this time, he was operating the orchard and he had a lot of trouble with the deer coming into his orchard. In the wintertime, they’d eat the sprouts off the ends of the small tree. He’d plant about ten or twelve acres of new red delicious apples that had been developed from a sport that was in his orchard. He had sold this sport—if you know what a sport is in fruit, it means that it’s a limb that for some reason develops a different class of apple, and these were the old striped delicious apple trees, but this one limb had dark red apples on it. So, he had sold this to the Okanogan Orchard Company and they had taken the buds off of this to start new trees with and in the deal, as near as I can remember, the old gentleman told me that they gave him so much money, whatever it was, and he got a thousand trees after they had been developed. They had been developed and by the time that I’m talking about here; he had had some young trees planted. Anyhow, the deer were damaging his orchard and he went in to see the Game Department and the Game Department told him that he couldn’t do anything about it if they were outside the orchard, but if they were actually in the orchard and he shot them in there, if he killed them in the orchard, that they couldn’t do anything about it; he was protecting his property. So, he was talking to Jerry about this who lived next door to him and he said, “I didn’t ask him, but I can’t go up there and hunt those deer or run them out, but I don’t know why I couldn’t hire you to do it. How much would you charge me to go up there and kill the deer in my orchard?” He said, “Well, now, I don’t know who gets the meat, but I think we might be able to arrange it all right. So he took his deer hunting rifle and he went up in that orchard, snuck up in there one day and there were four deer in the orchard, and he got three of them in the orchard and the fourth one as it went over the fence to get out. So, he pretty well cleaned out the deer that’d been eating the old man’s fruit trees. It may have been some of that meat that I talked about us eating when we were cutting wood.

Most of my deer hunting was done with a camera. I didn't get any particular kick out of killing deer, though I did do it occasionally. Pheasants were fair game. They could be picked off and eaten and I guess my biggest wildlife treat was a trout. I had a stream going through the ranch that had a lot of brook trout and some rainbows in it and you could take your pole along when you went after the cows and if you got pretty well acquainted with where they were and everything, you could bring back three or four and that made a nice supper. It helped your budget quite a bit just to have a trout dinner about three or four times a week. The Depression was not good for game propagation, because Jerry wasn't the only one who was killing deer.

My own, as I said, what I liked to do, when I had time off, and I did take some time off once in a while, I liked to climb the mountains around there and take my camera with me and get wildlife shots of the country and of the game, or anything I could run into. I got a great deal more kick out of having a picture of a deer standing there staring at me while I took his picture than I did killing him and getting the blood all over and do all that cleaning. Northeastern Washington is a particularly nice place to do mountain climbing and wildlife tramping of that type, or picture taking, because it's a fairly arid country. It's not as dry as the Big Bend; there's lots of timber there—most of the mountains are pretty well forested, but the underbrush is not heavy like it is on the coast and you can tramp around for hours. It's almost like being in a park. There's not enough moisture to support too much brush underneath a good stand of timber. Back when I was in my early twenties, I thought I could climb a mountain faster than anybody else, and I'm not sure that I was that good, but I do remember being timed on a fifteen hundred foot climb that I made in less than thirty minutes. I tell you, if I started now, it'd be probably thirty days instead of thirty minutes getting that far up. I didn't think it was anything unusual to hike up what we called Old Douglas Mountain, which went up to something over five thousand feet, because that's where we went to get our huckleberries quite often. The tallest mountain around there was Old Dominion Mountain. That was an interesting mountain, because it was the site of one of the earliest gold mines in the country. It was opened up by, I forget whom the guy was who first found it, but it remained in the history of that area for quite a long time. As late as the thirties and forties, there were attempts made to reopen the mine and find more gold. But it just never paid off for anybody after the first few people that worked it, which seemed to have just found a pocket that was pretty good and made some money out of it and then left it. I think the official height of Old Dominion Mountain was 5,600 feet. So, starting from where I lived, which was about, oh, I suppose four miles from where the mountain really started to climb up pretty steep, to get up there made a pretty good hike. I got out of milking one morning while I was just working on the ranch there—before I rented it, and later bought it—and I recall that one of the exploits that I got complimented on was that on a Sunday

morning I got up at daylight, which was really before four o'clock, and I headed for that mountain. I caught a ride for about two miles, which helped a little, and I got up to the top of that mountain; I came up on the west side, so I wasn't climbing in the sunshine till I just came over the top, when I saw the sun about seven o'clock, so it was four hours getting up there. Going down was quite a bit faster. I spent a little time up there and took a few pictures and then I headed back down and I got down—going down it only took me a little over two hours to get back and I got home in time to get cleaned up and go to church with the family that I was working for, at eleven, for the eleven o'clock service.

There were a number of interesting characters in the neighborhood when I first settled there, that were up in their seventies, that had been there most of their lives. I'm not sure which ones were born in that area, but they had experienced the area when it was pretty primitive. Actually, Fort Colville was established there in 1855 and the farm that I bought was right close to the site of the fort, and later on I bought a farm that adjoined me, that had the rifle range, where they shot the old lead bullets that just had the cloth cartridge on them. Later, about the 1870s, they were using brass cartridges, and particularly after I started irrigating, I would find these when I would plow up a field in the area where they had their target practice and I kept quite a few souvenirs. I actually turned some of them over to the museum up in Tacoma, of these shells marked 1870, and some of the lead; I call them mini-bullets. Anyhow, they'd be about as big as the end of your finger, that had been fired, and then later, they'd show up on the surface, particularly after you'd plowed a field and worked it down; then would come a rain and they'd shine and you could see to pick them up.

A gentleman, name of Crawford, and a couple of brothers, by the name of Meyers, were some of my favorite old-timers there. I got acquainted with them when I was first just working up there, because then, in threshing time, everybody traded work. The gentleman I worked for always sent me out with a team and wagon to help in the threshing with the neighbors, so I got pretty well acquainted. I loved to talk to them about the old time when they first came in there, when there were still soldiers at the fort. The fort was disbanded in 1882, was the last time any soldiers were there. The fact that even though I didn't participate in it, getting in there in 1928, it felt like it wasn't that long ago at that time. In fact, it wasn't as long ago at that time as it is from now to when I came to that country when it was a very real thing yet. The fort actually was probably established more to establish the rights of the United States to the territory, which had originally been British territory. But, because there'd been a fort there, there was always quite a little bit of interest in—on my part at least, and a lot of other people—in the old fort site. Probably, in the middle thirties, maybe a little later, I don't remember exactly, we were able to put together a project there. We put a monument up to mark the site of the fort. That monument's

still there, and I took quite a bit of pride in the fact that it was placed on land that, at that particular time, I was farming. Another artifact that showed up quite frequently in farming, were mule shoes. They had these steel mule shoes that not only were shaped like a horseshoe, but they had a little cleat across the front of them so it was a closed circle. When you were plowing, it wasn't too unusual to have one of them get stuck over the point of your plow and you couldn't understand why it quit scouring all at once. You'd back up and take it out of the ground and there you'd have another mule shoe sticking on the end of your plow.

A lot of the history of that part of the state is not very well known, because in the early days it was British territory and consequently, it didn't hardly get into the American history books. At the time the fort was established there, what might have been the earliest sawmill in the Northwest, was established at a place that's now called Douglas Falls. It was named after the gentleman who had the sawmill there. Douglas Falls is a fall in the same creek, Mill Creek, that ran through my farming place up there. It's about a forty-foot fall and most of the time there's a pretty good flow of water. It gets up as high as several hundred-second feet in the flood time, but I'd say in the summertime, that maybe more like fifty cubic foot per second, something like that. Pretty fair stream, good trout stream and nice drop there. When we talk about a sawmill, don't get any ideas that you're looking at something like Simpson or Weyerhaeuser has. This was a sawmill that was powered by the waterfall—and I didn't see it; I got these stories from these old timers I'm talking about who lived right close there—but it ran a wheel which, in effect, activated what we would call a cross-cut saw. Only it worked up and down vertically and the logs would feed through here by hand as it sawed off the boards. It was pretty crude compared to what you talk about now. This Old Man Douglas, was quite an entrepreneur, and when he heard the Army was coming in there, he grabbed onto this site and set up this so-called sawmill and endeavored to get rich by selling lumber to the Army. The old Army captain, Captain Pinkney Longenbell, I believe his name was, anyhow he went to see the guy, or the guy went to see him, about lumber, and I guess he wanted to get rich too fast, so he asked the Army to furnish all of the labor; the timber was free for the cutting. The logs were all around the falls there, and that he would furnish the sawmill and supervise the operation, but he wanted forty dollars a thousand for the lumber he cut. Now, you know, forty dollars in 1855 was like you're talking about a thousand now, probably, or maybe more. Anyhow, the Army captain felt like he (Old Man Douglas) was trying to hold them up, and so he went up the creek from where the camp was and he put in a dam across the creek, maybe it wasn't forty foot high, but a pretty good sized dam, and created a lake of two or three hundred acres behind it, and that became the water supply for the Army. Whether they cut logs in the same manner there, I don't know, because I never got that part of the story. Anyhow, this old gentleman didn't have any more room

or use for his sawmill, because they wouldn't sell enough lumber to the natives; they hued their own logs out to build their houses and things like that. So, he turned his sawmill—he tore it down and he put a distillery in at the same site. In other words, he made what we call moonshine whiskey, and the story is that he got most of the Army's money anyhow. This old guy disappeared then, for quite a few years from the area, and the story is that he came back at least twenty years later. He was an old man then; he came to the town of Chewelah and he went into a saloon there. He was pretty bedraggled looking and everything, but he insisted that he was Douglas and, of course, they wouldn't believe him. So, he told the bartender, "Now, I'll prove I'm Douglas, because people in this country know that I could handle more hard liquor than anybody else ever could without it affecting me, and I need a drink." And he says, he took his coat off and he laid it on the bar, and he said, "I'll bet you my coat against a pint of whiskey, that if you get me that pint of whiskey, I can drink it all down, just drink it right straight down and walk across the street without wavering or stumbling." So the guy says, "Well, I'll just take you up on that." So, he gave him the pint of whiskey and this old man drank the whole pint down, started across the street and fell dead, right in the middle of the street in Chewelah. Without any more proof, people were willing at least to say, that was Douglas that died there.

There's a story about Douglas Falls, the area in which the falls is located, in the 1930s, was foreclosed on by a bank in Colville, just like a lot of other timber land there, but it still had good virgin timber on it, because down in the creek valley that way had been too hard to log with horses to have to drag it uphill. So, there was a lot of very good timber on about a hundred and twenty acres there. Some of us got the idea when the bank was being liquidated, that it would make a nice park. So, I suggested—I was doing Grange work then and was gone quite a bit; this would have been about '35—and I told my friend, Joe Garvey, that he ought to bring it up at the next Pomona meeting or county Grange meeting and suggest that they buy it, because it was only priced at three hundred and sixty dollars for the hundred and twenty acres. So, I thought we ought to buy it and make a Grange park out of it. Well, Joe agreed with me on that and got some other people to support him and they went to the Pomona Grange, but they got into a big argument and a lot of them said, "Well, it isn't worth that, you don't have to pay that much for it." And they were citing other timber lands, of course, that were selling, as I'd mentioned before, for fifty dollars a forty or something like that, and here they were asking about twice that much for this land where the timber's all down where you can't log it; all kinds of arguments against it. So, they didn't vote to buy it, so, when I got back from whatever trip I was on, Joe was explaining this to me and I said, "I've got to be gone again, but next time you go to a meeting," which was a couple months later I believe, I said, "You tell them that if they don't buy it, I'm going to buy it." And you know, the next Grange meeting,

Joe went and reported that, and the Pomona Grange immediately decided to buy it. Well, I'm glad they did, because it's still called the Pomona Grange Park. Actually, after many years of operation, this Grange Park, in which there was a lot of donated labor, became difficult to maintain. I know one of the first things we did was to drive a well pipe down with a point on it to get some artesian-type good water there for drinking water. We put in picnic tables, we cleared out an area big enough for a ball diamond, and during the thirties and up until the war got going pretty heavy, why, it was used very heavily. But, it fell into disuse more or less after the war, because we seemed to never get back to where we had the picnic groups and all, and it took a lot of work on the part of some Grange members that still tried to keep it up. So, I guess it would have been, I forget now, but quite a few years later, and I was living in Olympia, that I first approached the Park Department about taking it over. They were quite interested in taking it over and making a park out of it, because they didn't have a State Park anywhere in Stevens County. Then, they ran into difficulty with financing with the Legislature and they decided they couldn't handle it. So, I remember getting the Land Commissioner—Bert Cole had been elected land commissioner then—and I talked to him and I told him what I thought a great deal it was, and he sent Bruce Reeves, his assistant, over with me. We flew over in the Department of Natural Resources airplane so that he and Bruce and another gentleman from there could take a look at it. They agreed that for two reasons they ought to take it over; one, this hundred and twenty acres was part of a section, the balance of which was state land. It had originally been bought out of a section of state land, so there would then be actually six hundred and forty acres there in public ownership that would include this creek and waterfall, which was a historic site as well as a very delightful place to look, and samples of just about every tree, except white pine, that was indigenous to the area. So, they did make a deal, which I helped them write up, that they turn this over to the Department of Natural Resources with one provision in there, that if any timber is ever cut off of it, the proceeds of the timber go to the Pomona Grange. I don't know whether they're still trying to enforce that or not, but it was put in there purposely so that they would not go in there and try to manage it as a forest resource, but to really maintain it as an educational exhibit of original forest timber of that region. Anybody that's interested in forestry, who wants to go up and see what the native timber looks like, there's a good sample of it there.

The prime tourist attraction in the Colville area when I first moved there in the twenties and early thirties, was Kettle Falls. Kettle Falls on the Columbia River was not a very high falls, but on a big river like that, was very spectacular. During high water the salmon came up the Columbia at that time, before the Grand Coulee Dam was built, and we'd go over there and watch the Indians both spearing and netting salmon as they'd try to jump over the falls to go on upstream. A lot of them didn't make it over the falls, but when the water was high,

a lot of them did get over the falls, and actually, that was the only real stopper they had when they got that far up the river. Above that, they could go all the way up to Columbia Lake, up in British Columbia, where the Columbia River really starts; they'd get some big fish there. The fish were not really that good. The Indians could catch them for their own use and they weren't really supposed to sell them, but settlers, or other white people around there would buy a fish from the Indians once in a while; they'd always chisel a little bit and sell a few. I never tried it but once, because I didn't think they were that good. They would allow you to fish for them in the river, but you couldn't use—well, they don't take bait when they get that far up—you have to catch them with lures, because they quit eating. They'll fight a lure, and that's about the only chance you'll get them, and shoving a spear through them. Most of them were taken in nets that were suspended on poles and hung over the edge of the falls, because the fish usually tried to jump the falls close to shore . . .

**[End of Tape Four]**

# TAPE FIVE

---

## [Tape 5, Side One]

**Mr. Hodde:** One of the first things I should mention in talking about the '37 session is how I got elected. The member who had been the Democratic representative from our county failed to get his filing in on time for the primary election, and under the rules of the day at that time, if nobody filed, then you could have your name put on the ticket by the County Central Committee. Well, keep in mind, in the 1935 session, the major project of the Grange which I'd taken quite a part in, was the initiative to set up a blanket ballot, which was passed by the Legislature, and I was given quite a bit of credit for it. Here, in this case, the editor of *The Colville Examiner*, the local paper at that time, was a Democrat called "Redtop" Harrigan. Redtop called me up to come in and see him and he said, "I want to submit your name to the Central Committee to be our nominee from this district. You've been over there; you know a lot about it and you'll be good for the district." I thought about it for a while and said, "Well, I think I'll do it if you want to try it, but I don't see—I'm not sure that I'd get elected—but let's, why not?" I could still go and lobby if I didn't get elected. Of course, I was sacrificing something, because legislators got five dollars a day without any expenses and lobbyists, at that time, I was being paid five dollars a day and my expenses. But, nevertheless, I thought it might be interesting to try it. So the Central Committee did nominate me and then I got elected, the irony being that the fellow who worked the hardest of anybody in the state to get the blanket primary in, first time he ran for office he was a partisan nominee by the Central Committee. Not even the Democrats in the county got to vote and pick who was doing it, just the Central Committee. I've always thought that was sort of a humorous situation.

The 1936 election, there was also some interesting items on the ballot that should be commented on. The 1935 session had submitted an income tax amendment, which again was one that I had drafted and they had accepted, as being a good way to approach overturning the court's decision regarding an income tax, and that was on the ballot. But, the whole sentiment in the four years from when it was passed—the income tax was passed in '32—to when the first amendment was voted on in '36, the whole attitude seemed to have changed. This amendment, to allow a graduated income tax, lost by a vote of over three to one.

There was also an amendment on the ballot to allow legislators to give themselves five dollars a day expense money, as well as the five dollar salary they got, and that was defeated by about the same margin, three to one. You've heard similar stories from time to time; the people said, "If they want to run for the office, they know what it pays and it's up to them." So, they got no expense money. Later on, of course, well, I think it was the '41 session or somewhere there, the legislators did pass a bill allowing legislators' expenses and it was held to be constitutional without having to amend the Constitution to do it.

One of my major projects in the '35 session, representing the Grange, was to get a school equalization measure through, which I've discussed to some extent earlier. One that would, in effect, distribute state money in what we call inverse ratio to the local taxing ability per child. There was quite a variance in what the property tax allowed by the Constitution per school district would supply when you applied it to the different districts. In some places it'd take maybe three times as high a levy to raise the same amount of money per child. So, we proposed that we reduce the payments to the districts with the high tax base, and raise them for the districts with the low tax base. This had passed the Senate in the '35 session, but failed to get any action in the House, and I think, principally, because at that time, House member Pearl Wanamaker, was on the Rules Committee and they didn't even get it on the floor for a vote. In the '36 election, Pearl ran for the Senate and she got elected to the Senate, and so my chief opposition to this was in the Senate. I introduced the bill in the House, as a member this time, and I felt sure I could get it through the House. However, I did not get the support of some of the key members and it failed in the House by, I think it was by four votes; it lacked that many votes for carrying, it might have been five, but it's pretty close. So, then, I had several conferences with Wanamaker and she introduced a bill in the Senate to do it her way, admitting that the poor districts needed help. So, she, her bill in the Senate then, which I helped to support, as being the best that we would be able to do, it did not take any money away from the richer districts, those about average, but it added money to those not quite up to average, but those substantially below average got quite a bit of money, quite a bit of help out of it. A comment that Gordon Newell makes in his book about that particular session is interesting, I don't recall it specifically, but he attributes it to me. He says that after the Wanamaker bill had passed the Legislature, it cost three million dollars more than the Hodde Bill would have cost, that I made the comment that I'd never try to do a good deed again that didn't—that cost less money; that it seemed like in the Legislature the most expensive thing was the thing that always passed.

With my interest in schools, I had introduced another bill, and admittedly it was to tie in with the Equalization Bill, and that was a bill that would give teachers a minimum salary of one hundred dollars a

month. Now, it wasn't quite a hundred dollars a month in some districts, because if they were short of money, all they had to do was put seventy percent of their budget into teachers' salary, then that would be their limit. But otherwise, it was a hundred dollars a month, and with the Equalization Bill we could show that every district would have enough to pay the hundred dollars a month. Well, there were a lot of teachers in those days that were teaching for as little as fifty and sixty dollars a month and probably only getting eight months of time in, so we thought this ought to be readily accepted as necessary to get quality teaching. However, my legislative district had over ninety school districts in it at that time; it was right before we had any consolidation of any note. Most of the directors thought that the Legislature was infringing on their powers, that they had a right to dicker with the prospective teachers, and hire them as cheap as they could, and keep their taxes down. I tried to point out to the public and to these directors that the state was putting in the money that made this necessary and it was not raising their property taxes to do it and that we ought to have it to get quality teachers. I think maybe a little personal story might illustrate what was going on. I had a friend who was the director in a small school district that was hauling a load of cattle down to Spokane for me shortly after I got back from the Legislature. He was asking me about this, and being very much against the idea that the Legislature could tell them what the least they could pay a teacher was, and he was pointing out to me that they were only paying fifty-five dollars a month to the teacher at that time and why should they practically double her salary? Why should the Legislature be able to tell them that they should do that? And I tried to explain to him, and finally he said to me, "I'll tell you one thing, Charlie, if we're going to have to pay a hundred dollars a month, by golly, we're going to have a good teacher." And I said, "I think you answered your own argument; that's the reason we passed the bill." Anyhow, in the '38 election, I think this is what defeated me, because I lost the '38 election for re-election to the House on such a narrow margin that a change of forty votes in the two counties would have elected me. In other words, just thirty nine more votes and I would have had the majority, but I don't know, I think it was a break for me that I didn't go back to the Legislature right away, because I'll talk a little more about it some other time, but this gave me a period when I was very active and times were getting better. I mean, very active in private entrepreneuring: logging, wiring houses, farming, and it was the first time that I really began to make a little money, and began to feel like I was making a success at my own business. I did almost no work for the Grange during that period of time, other than just going to meetings. I dropped out of the lobbying business, and organizing Granges, and things of that type. I did make another effort to put a constitutional amendment on the income tax on the ballot; it passed the House, but it never did get to a vote in the Senate.

The '36 election was interesting too, because Governor Hartley, who was defeated by Clarence Martin in the '32 election, tried a comeback, but Martin got a two to one victory over him so that was a good boost for

Martin. The '36 election was also the election when Warren G. Magnuson was elected to Congress. Warren had been in the '33 session of the Legislature as a member and I'd gotten pretty well acquainted with him then. He took quite a bit of lead in the floor discussions and so on; he was a brilliant young man. But he, then, as I recall, was elected prosecuting attorney up in King County, but two years later he again ran for Congress and got elected and, of course, stayed there for decades.

This was also when Mon Wallgren broke into the political picture. He was elected to the House and Congress in 1936 and, of course, later, became governor of the state of Washington. The House passed a joint resolution to amend the Constitution in this session to provide for a one-House legislature, something that I've always had quite a bit of interest in. It passed by a big vote, I don't recall exactly what, but quite a bit over the two-thirds necessary to submit it to the people. However, in the Senate, it never was put to a vote, so we never did get a chance to see what the people would think of having a one-House legislature. This was about the time that Nebraska switched over to the unicameral system, so there was a lot of discussion at that time about the changing of the legislative system in this manner.

Another item that was of a great deal of importance at that time in legislative work, was the state road system. We were gradually expanding the state road system since we'd shifted to pretty much gas tax support anyhow, and the 40-mill limit law, of course, had limited the use of property tax money for roads severely, but the state was moving in and supplying money even for county road construction. A legislator from a rural area like I came from, his success usually had to be measured by whether he got some more money for a state highway, or some new state highway put on the system or something of that kind. My partner and I—he was from Pend Oreille, and I was from Stevens County—decided that what we called the Tiger Road should go on the state system. Actually, one of the earliest proposed state highways would have run across the north end of the state, before Snoqualmie Pass was developed, but when Snoqualmie Pass was developed, they dropped this proposed state highway that would have come from Tiger, to Colville, to Republic, and follow the route that the present North Cascade Highway follows. So, we were successful in getting the Tiger Road designated the thirty-some plus miles from Colville to Tiger, on the state system at that time, and also a little road that connected with the Tiger Road called the Sacheen Cutoff, which made it quite a bit easier, as they were developed for people to travel across the district. We felt like as long as we were one legislative district that we, at least, ought to have a state road between the districts. At that time there was no state road connecting them; if you wanted to go by state highway, you had to go down into Spokane County and back up the other valley. We had a Highway Commission of sorts at that time; the Legislature really divided up the highway appropriation, pretty

much dictating where the money will be spent, and what roads it would be put on, and things of this type. I also was instrumental at that time in getting a piece of state highway put on from the town of Springdale to cross the Spokane River up to Davenport. But, I had a problem with the representative of Lincoln County, where Davenport is located. When he'd been a county commissioner, he had made a proposal or passed an action or something, saying that the county should improve the road from the bridge across the Spokane River into Davenport, a matter of some ten or twelve miles, maybe fifteen. So, he didn't want to put it on the state system, because he thought that would be letting his successor, who had been elected county commissioner, off the hook of finishing the work that had been started. So, I said, "I'll settle for it if you just make the state highway from Springdale, to the Lincoln County side of the Spokane River. I want the bridge to be on the state system, because I don't want the county to have to repair that old bridge or take care of it." Well, that turned out to be something that really paid off for the county, because it was only just a short time after that, that a sheep owner . . . at that time, it may be interesting to some of you who don't know that, there were a lot of sheep that were kept in the winter down in the Big Bend country and then during the summertime, they leased the grazing area, some of it from National Forest lands or public lands and the others from private lands. They brought their sheep in large groups, over a thousand in a flock, up into Stevens County, one of the locations, and a lot of them into Okanogan, to graze during the summer. They were moving one of these bands of sheep, across that bridge, and I suppose the rhythm of all those sheep feet or something—I don't know what did it—that bridge, sheep and all, fell into the Spokane River. Well, then the state had to replace the bridge, which otherwise would have been a county responsibility.

One of the most interesting and toughest fights during this session developed . . . maybe first, before I talk about that, I should mention that this session had three caucuses. There were so few Republicans that they didn't even have a caucus; what they had was, we called them, we named them after the general philosophy of the groups that met. The main caucus, the largest one was a coalition of Republicans and the more conservative Democrats. Then, there were thirty-two members that met as we called it the Left Wing caucus; they were the more liberal Democrats. Then, there were sixteen of us, including myself and fifteen others that would not meet with the Right Wing and we would not meet with the Left Wing. We thought the Democrats ought to meet as a party and they wouldn't do it and so we organized our own caucus of sixteen members. We didn't name it that, but we called ourselves the Democratic caucus, but that was a laugh, because we didn't have even a third; we didn't have twenty-five percent of the Democrats, but we were all Democrats. But, the general public and lobbyists and the newspapermen called us the "Wishbone caucus." However, we were pretty effective, because there were many times when we were the balance of power.

One thing that I had taken quite a bit of interest in was taxes. For a long time, the original sales tax, passed in 1935, had exempted basic food items, such things as fresh vegetables, fresh meat, unsweetened bread, a number of items like that were exempted from the two percent sales tax. Governor Martin felt like he had to have more money than would come in under the Revenue Act of '35, so he had suggested as a departmental request, that this exemption on foodstuffs be removed, and that was going to raise a couple million dollars or so. He tried to tie this into the fact that he was supporting a measure for something a little over two million, two million two-hundred thousand or something of that kind, for extra money for relief for helping feed the poor. So, he didn't think taxing the food to feed the poor was a bad idea, but Charlie Hodde thought it was a bad idea, so when it came up on the floor of the House, I proposed that we leave the exemption on foodstuffs and put the sales tax on personal services—personal services being such things as lawyers and doctors and dentists and professional people of this type, which would have raised about the same amount of money. I had plenty of opposition then, because there were a number of lawyers in the House, and one of my most vocal opponents to this idea, was Davey Cowan, a dentist from Spokane, a pretty conservative member. So, a little incident that happened on the floor is interesting and gives you some idea that all the discussions between members weren't always entirely friendly. Cowan asked if he could ask me a question during the discussion, and I said, "Sure, I'll answer a question." He said, "Are you trying to tax the toothaches of the little children in this state?" And I said, "Well, I prefer taxing the toothaches to the belly aches of the little children in this state." Well, that got a big laugh, but it didn't make good friends out of Davey Cowan and Charlie Hodde. However, the House did go along with my position and they voted to impose a tax on personal services and leave the tax off of food. When it got over to the Senate, the other side prevailed, and so we got to the end of the session, the last day of the session, with a Conference Committee appointed to discuss which one of these ways we'd go to raise the money. The Conference Committee came back supporting the Senate position and I, of course, took the floor and argued against it very strongly, and so did Lyle Keith from Spokane and Ed Emerick from Yakima, who had been leaders in our little group of sixteen. The Left Wing all stayed with us; all thirty-two of them voted against the tax on food, in effect, and to tax the lawyers, and the dentists, and the doctors and so forth. Well, having refused to adopt the conference report, it went back to conference and an hour or so later they came back again with the same report and we voted them down again. So, then we thought, all right, now they've got to come back with something else; twice they've been turned down. But, they went a long time, it was four o'clock in the morning; in other words, the clocks had been stopped for four hours or more when they came back the next time. I didn't know it at the time—I should have been more alert, I suppose—but the governor had stayed

up all night; he wanted that so bad, and he had had some of the leaders of the Left Wing down in his office. When it came up for discussion on the third report, I believe the first one who got up to talk about it early in the discussion, Ralph Van Dyck, who was a member of the Left Wing caucus, and a good Granger, and a good friend of mine from Bellingham; he got up and supported putting the tax back on food. I knew that something had happened, some kind of a deal had been made, and I got the floor and I think I made the most impassioned speech I ever made in the Legislature in all my history, at least maybe second, at least. I just really talked to the Left Wing. I just talked to them about how they were such dedicated liberals and all and here we thought was something they'd been voting solidly against, putting a tax on food and here they were being bought off for a measly little two million dollars, and that I didn't think Martin would veto it anyhow, and they were just being misled. Well, five of them including Margaret Caughlan, who was always a favorite of mine in a way, a very able young lady, a legislator from Seattle—I've complimented her since for voting her convictions; she didn't stay with the Left Wing—the only time there was ever a break in their solid vote in the whole session. She and three or four others followed her, voted with me, but we lost the battle. So, they adopted the report that favored the Senate position and the tax passed. However, we had made so much of a fuss over it and keeping the session going so long before they got it, that the next day the telegrams began to float into the governor's office, just in bundles. One of his staff said it looked like a shock of hay beside his desk; they were three feet high, the pile of telegrams, and they were all against putting the tax on food. So, even though during the debate, the governor had pressured the Speaker, Ed Reilly from Spokane and people like Doc Cowan, all good conservative people that usually vote against every tax, to get up and actually take the floor—the Speaker left the rostrum on the last report and just flatly told the Legislature they were totally irresponsible not to adopt this report, "It was almost daylight and here we sit and we haven't got it done yet and we've got to have the money." Well, in spite of all this, Governor Martin vetoed the section of the bill that imposed the tax on food. This may have been the reason he didn't get re-elected in a very close primary election that came up in 1940 when Clarence Dill ran against him, maybe not the only reason, but it could have been the reason that the margin went for Dill, actually. The Spokane legislators, in particular, were quite incensed, because it looked like they were trying to tax food and the governor had saved the poor people. The other interesting thing is he did not vote or veto the appropriation for relief.

In spite of the big hurrah about the taxing of food and the fact that the governor vetoed it, when the Legislature came back in '39—of course, I was not a member then—they did take the exemption off foodstuffs and it stayed on food, the tax, until just a few years ago when the Legislature exempted food. I believe it was done by the people, by a vote.

The thing about the '37 session, following up what really started in the '35 session quite a bit, was a number of bills that related to regulating private entrepreneurs, efforts to tell them how they had to operate. Dentistry was an interesting one. Davey Cowan was an advertising dentist and there were attempts to outlaw advertising for dentists. Up until very recently lawyers weren't allowed to advertise except, "I'm a lawyer and here's where you can find me," but not specifically like they do now. This type of legislation was pretty prevalent in the 1937 period.

The farmer was subjected to regulation, and I think it was probably a good thing, because it was legislation to control the slaughter of livestock so that people would be protected against improper handling of meat. At the time that I went to farming in the Colville area, it was not uncommon at all for some guy just to go out and he'd just come to your place if you'd want some slaughtering done, he'd come and kill your pigs, kill your cows, dress them out for you in about an hour's time, a lot better than having to try to do it yourself. I think it was a pretty good deal, but you can see how this might get clear out of hand and meat would be peddled that really wasn't taken care of in the proper manner. Really, it was a matter of public health protection, is what the purpose of it was, not necessarily to restrain people.

As sort of a public interest statement, I guess, that didn't seem very important now, but at that time there were a lot of contests—we called them marathon dancing. They did it for the publicity, I guess, more than anything else and they might have danced two or three days, until they'd just drop dead. The Legislature decided that this ought to be stopped, and there was legislation passed to prohibit marathon dancing. To me it doesn't seem too much different than the present craze for marathon running, in which people run until they're totally exhausted to try to say they ran the twenty-six miles. The marathon dancing was the same kind of physical exercise, but of course, different in nature, but it was far from being a social affair; it was really just an exhibition.

One law passed that ought to be of a lot of interest today, because we seem to be moving back very strongly into gambling, from state lotteries and everything else, but we still haven't brought the slot machines back. At the time that I was running around with the Grange in the thirties, I recall the first fieldwork I did for the Grange. I went out with an old guy we called Dad Waters; he was about seventy years old and whenever we'd go into a restaurant to eat, when he left, he'd stick a nickel in the slot machine 'cause they were just practically everywhere. Mostly they'd put out tokens rather than money, but you could take the token and turn right around and buy a meal if you had enough tokens; you had to hit a jackpot or something. So, we were out about six weeks on the road and we came back into Seattle; we had what we called our annual deputies meeting in the Grange, and during this period of time, Waters had told me as a young man—you know I was just about

twenty-five years old and he was up in his seventies already—that the only way to gamble was just one time. Don't stand there and put all your money in, because you lose that way, so you just put one in each time and you become a winner. Now, that was his philosophy. Well, he didn't really spend these, but when we got back, he had one of these old, call it a safety pin, like they used on horse blankets, about four inches long safety pin, he had this thing plumb full of these tokens, which had a hole in the middle of them, that he'd won in the various slot machines where we'd been eating, mostly around Yakima County. So, he was telling them at the convention that the master had kept us out on the road a good deal longer than we'd intended to be and that we really had to make our living with the slot machines. He showed them these tokens and he said, "Look, we even had some left over after we bought all our meals." Well, everybody laughed, because they knew it was a joke. Anyhow, this was a burden on some places and so this law was passed which said there can only be slot machines in regulated clubs, places where call it "the poor people" couldn't get to them to waste their money.

**Mr. Rogers:** This is Jack Rogers, and I wanted to ask, in connection with the 1937 session, in which the Unemployment Compensation Act was passed to provide relief for involuntary unemployment of our citizens. I note that the state of Washington passed the act providing that employers would contribute to this unemployment compensation fund, but that employees were not expected to contribute to the fund, and I wonder if, Charlie, if you could tell me about that landmark act and why it was done in that manner.

**Mr. Hodde:** My recollection may not be perfect on that except that I remember that this was when we moved into that field. Keep in mind, that at the same time we were doing that, social security was just getting started in '35 and it comes up, too. In this case it was treated like an insurance program, or that's what we thought at the time, and there was a contribution by both the persons—the employee and the employer—to social security. But, in the case of unemployment compensation, I think the philosophy that went into having it all paid by the employer was that it was no responsibility, really, of the unemployed, that the person who was hiring him, if he had a high unemployment record. In other words, if he laid off a lot of people, his costs were going to go up. The industry generally then should support the payment of support for these unemployed, that they were part of a total work force that were necessary to be in the region and so basically it should be industries' responsibility to pay these unemployed. It was felt to be an encouragement to them to keep him on the payroll rather than taking him off, and if you put the burden on the employed, then the people who are still working would be paying the ones who were laid off, and that didn't seem fair. So, in this case—and I can't comment about what other states did differently—except that in this case, you see this is a joint program with state and federal governments. It's not a federal program like social security, because there is federal participation, but it is a state/federal program where the state does make contributions and handle the money.

**Mr. Rogers:** The state, also in the case of unemployment compensation, had other differences with social security and one of them is the state can make the rules for eligibility for unemployment compensation and that sort of thing, whereas social security is under federal rules.

The 1937 session created the Washington Toll Bridge Authority that provided for construction and operation of toll bridges and toll tunnels. I don't know of any toll tunnels that were ever built under it, but I know, Charlie, that later in your career, you became a member of the Toll Bridge Authority when you were the director of General Administration in a later administration. I wonder if you would like to comment about the creation of that organization and what it has done for the state.

**Mr. Hodde:** Yes, I would comment on that, because it became a very important factor in our development in particularly the Puget Sound region, but not only there; across the Columbia River, across in the Wenatchee area, down in the Tri-Cities area, and across into Oregon. The Toll Bridge Authority was originally put together to finance the first floating bridge across Lake Washington, which Lacey Murrow got built. That turned out to be quite a success. I'd like to tell a little story about that toll bridge that really didn't occur until they were going to build another one, a floating bridge—I believe it was the one that was going to be built. . . . Evergreen Point. A senator named Tisdale from down in Pacific County had voted against the bridge, the first Lake Washington Bridge, and he gave the reason, and he gave this reason later again when they were talking about the Evergreen Bridge, when he said that he was going to vote for that one; he said he asked them what they were going to build the bridge out of?

**[Tape Five Side Two]**

**Mr. Hodde:** And they said they were going to build it out of concrete, and he said, "You damn fools; concrete won't float." And he said they built it out of concrete and it did float, so he said the next one that came up for vote that he would vote for it.

But the Toll Bridge Authority became the avenue for getting things done that couldn't be done with gasoline tax money; there just wasn't enough of it. So, as we go through later sessions, you'll find there are more and more times when there was authority. Not all of them worked out perfectly; the Tacoma-Narrows Bridge was one of the earlier ones and it fell into the Sound after a few years. We used to call it "Galloping Gertie;" we might want to talk about that again later on. Of course, I was on the Toll Bridge Authority when we built the first Hood Canal Bridge and it lasted nineteen years, but it went to pieces, too. So, all of them haven't been a resounding success, but in total, it's been a good program. Practically all of them paid off way ahead of schedule, as far as getting the bonds retired.

One thing that was passed that was of interest to agriculture, and of course, that caused me to be interested in it, was an act that would set up a State Apple Commission. The main purpose of it being to have an avenue to raise money that could be used to advertise apples. Of course, we went from that to several other commissions over the years, which were allowed to advertise, raise money, and that's still in our laws and comes up for discussion once in a while.

**Mr. Rogers:** At the 1937 session there was a change in policy; up to that time motor vehicles had been taxed as part of the personal property tax and the Legislature undertook a new system of taxation. Would you like to comment on that?

**Mr. Hodde:** Yes, I would, because I had quite a bit to do with it. Tom Hedges was a good Granger, that had been a fellow lobbyist with me for the Grange in the '33 session; then Martin appointed him to the Tax Commission. He had generally charge of the property tax. The thing that was going on was when you assess personal property taxes, like automobiles and a lot of other goods of that type—farm machinery—you assess them in the spring of, let's say, 1935, and the tax isn't payable until the spring; the first payment comes in early March, at that time, I believe, of the next year. In that length of time a lot of these automobiles had changed ownership; they were gone, and if a guy got a tax bill and he just refused to pay it, there was nothing to foreclose on. It was gone. So, there was a very poor administration there and a lot of the money was escaping. In talking it over with Tom, we decided that we'd try to get the Legislature to exempt all licensed motor vehicles, the ones that would be used on the highway, from the property tax. We had to have a reason for licensing them in able to be able to tax them on a different basis, and so all licensed vehicles then, for operation on the highway were put on an excise tax of one and a half percent times the value of the car. That's sort of like a property tax in that it is based on value rather than on sale price or something of that type. So, the one and a half percent tax was put on beginning; it had to be fractioned up, because there was some carry-over there, but as soon as it got fully in effect, it'd be one and a half percent of the market value. This market value was established as of the year of assessment, so, generally, the tax was a little higher in the year of payment than the full value of the vehicle. We still use that basis, and we do get practically one hundred percent collection, because you can't get a license without paying the tax. I think that was an advance in our tax system.

**Mr. Rogers:** Two very important retirement systems were established by the 1937 Legislature; one was the Washington State Teachers Retirement System. It had its halting beginnings at that time, and also, another chapter of the law was passed to provide for the retirement of Supreme and Superior Court judges. You went through the battles over those retirement systems being established and perhaps you would like to tell us about it.

**Mr. Hodde:** Yes, I would like to comment about that, because we did start the teachers retirement system then, and, of course, the thing that happened was that we didn't know that much about it. Retirement systems for public employees at that time were quite new, and just a matter of history, in 1947, just ten years later, they were bankrupt. In '47, the whole question of teachers' pensions came up again. We might want to talk about that later, Jack, but the problem is, at least it was recognized that they probably should have some. Keep in mind that this was the same time, the same session, where I was introducing legislation to see that they got at least one hundred dollars a month. You're trying to make a retirement system work when they're getting fifty bucks a month and it's a contributory system and the amount of money coming in is virtually nothing. Then as the wages went up, by 1947, when the hundred dollars a month didn't mean anything any more really, because nobody was hiring anybody for a hundred dollars a month by that time, why the system had just gotten to the point where they couldn't pay the pensions for the people retired. As I recall, I think that one of the reasons they went broke was that we did make it applicable to teachers with so many years of service, even though they hadn't been paying in during that time. So, it had to be subsidized because of the recognition of the prior service. I won't take time to do it now, but when it came up, I just want to mention this, I didn't like the way it was set up in '37. I never did think that an insurance type program could be operated for public employees. I'm probably somewhat wrong on that, because we're still getting by with it, but in '47 when the teachers' thing came up for retirement, I tried to get them to shift it from an insurance type program to one in which the retired teachers would be paid forty percent of the average teachers' wage being paid currently, as a guarantee against being in too great poverty. The teachers lobby wanted an insured-type program and we finally got one, so now we just worry about unfunded liabilities.

**Mr. Rogers:** The regulatory aspects of the '37 session came into focus once again when the Legislature of that year passed an act regulating barbers, requiring examinations and licensing barbers. And I recall that one member of the Legislature inquired, "What can a barber do to you that won't grow out in three weeks?" He didn't think too much of the idea of examining and licensing and regulating barbers. But, the regulatory fever did not subside, and lo and behold, Chapter 215 of the same session was an act regulating hair dressing and beauty culture, defining courses in shampooing, face and scalp care, hair coloring and bleaching, permanent waving, marcel waving, finger waving, hair fashioning, and last of all, shop management. So, they covered the whole area for the cosmetologists.

**Mr. Hodde:** You know, this is of a lot of interest to me, because, you may not know it, Jack, but one of my daughters and her family are very heavily in the beauty school business. They have four of them, three in

Oregon and one in Washington. They live down in Longview, so this, family-like, is kind of interesting. I understand what the barber is hollering about, but keep in mind this too, in 1937, people were just beginning to make enough money to go get a haircut and pay for it. You can believe it or not, but there were damn few people went to the barber for shaves or haircuts, and not very many women got their hair fixed out where I lived in the country. So, this may not have seemed very important, but it was felt by the Legislature—and I think properly so—that they're dealing with chemicals, even the so-called barbers are putting chemicals on your hair and they're doing things of this type, and it was felt that there ought to be some regulation. If you went into a place you ought to know that you're going to get professional care or professional service. Again, I agree with you, there was a great tendency to put everything under regulation at that time, but mostly they had a pretty good case for it. I think in the case of beauty schools and barbers, that it was not a misuse of a regulatory system.

**Mr. Rogers:** The state income tax had been passed in 1933 and was declared unconstitutional by a five-to-four vote of the State Supreme Court. But, the efforts to obtain a state income tax and put it into the laws of the state of Washington were not stopped. The 1937 session passed a joint resolution, which originated in the Senate as Senate Joint Resolution 5, which would have authorized a graduated net income tax, had it been passed by the people. I know, Charlie, that you had a good deal to do with the passage of that joint resolution in the House and also with the general effort towards an income tax. Perhaps you can describe what happened in that session.

**Mr. Hodde:** First, I think in some earlier comments I said, that House Joint Resolution 5 for an income tax passed the House, but wasn't voted on in the Senate. Rather strangely, the Senate Joint Resolution—this rarely happens—that the same subject matter would have the same number in each house, but the Senate Joint Resolution 5 did pass the Senate and that's the reason, I'm sure, that they didn't act on the House joint resolution when it came over. But this had been an amendment to allow an income tax, passed in '35, and also an Income Tax Act, hoping that maybe the court might reverse themselves when it's only a five-to-four decision and some new members had been appointed. It went on, but the Senate then did pass this and it was submitted, just a very simple amendment, saying that "Nothing contained in this section about uniformity shall prevent the enactment of a graduated net income tax." We thought, well, maybe that would go. I don't remember the vote that occurred in '38, because that's the election that I got beat, but nevertheless, it didn't pass, I know that.

Just a little story about why we couldn't get a court reversal. There may have been a lot of good reasons, but maybe a story which was quite a bit later, many years later, after I was out of the Legislature and I was on the Tax Commission. I used to eat lunch with some of the Supreme Court judges occasionally, over at what we

call “The Mayflower,” no, something like that; it’s now “The Capitol Bar and Grill,” that same corner anyhow. So, Judge Rosellini, who had supported the income tax all the time he was in the Legislature, and some of the other judges were there, and I sat down to eat with them. They had just then declared a corporate income tax unconstitutional, that had been passed by the Legislature as another last ditch effort to get some kind of income tax. I had looked it over and I thought the grounds that they had chosen; I don’t even remember what they were now, were not—they hadn’t really looked at the whole problem like they should. So I was just kidding with them and I said, “You know, I can write a bill that will answer all the objections that you raised in your decision to an income tax. Should I do that?” Judge Rosellini looked at me, probably in jest quite a bit, he said, “Charlie, we can find a hundred different reasons yet to kick it out, so don’t waste your time.” Really, why the courts get that way is they do not like to upset tradition; very few times have they done it. There have been a few times when they’ve reversed a decision made by an earlier court. The most notable, we might talk about sometime, was on the soldier’s bonus deal, when they okayed a bond issue without a vote of the people, right after the war and then twelve, fifteen years later they said that was a mistake; you can’t do it anymore, and we had to amend the Constitution to issue bonds. So, getting the court to reverse itself, especially when the people have said, “We’ve reversed ourselves; we don’t want it, we’ve turned down amendments,” is extremely difficult.

**[End of Tape Five]**

# TAPE SIX

---

## [Tape Six, Side One]

**Mr. Rogers:** Following the 1937 Legislature, Charlie Hodde returned to his ranch at Colville and resumed his civilian occupations.

**Mr. Hodde:** Actually, Jack, I never quit farming, of course, but I always seem to be branching out into something else, and I think we already made a tape about my logging activities, which took up some of my time starting in '38. In the '38 election, of course, I expected to get re-elected; all politicians do. I'd done a few things in the Legislature that were resented locally and besides we had sort of a Republican year that time. One of the things that cost me a lot of votes was a bill I put in to set a minimum wage of \$100 a month for teachers. We had about ninety school districts in my area, in my district, and the school directors thought that if they could hire a teacher for fifty bucks, then why shouldn't they? Well, this was coupled with my efforts to get, which a compromise, of course, was passed, to get equalization money for poor districts. So, my argument was the state's furnishing the money and now we should get good teachers. My favorite story about that was a friend of mine, who was a director in one of the small school districts, was hauling some cattle to Spokane for me and he was giving me a bad time about this, and I said, "Well, you're stuck with it, what are you going to do now?" He said, "We're going to hire good teachers. If we have to pay \$100, they'd better be good." And I said, "Well, that's my whole argument." Anyhow, it was a very close election. I carried my own county rather well, but in Pend Oreille County, I was pretty busy and I hadn't really campaigned much over there and I lost by enough votes over there that I remember that if forty votes had been changed, if I'd campaigned just to get an extra forty votes, I would have been elected, it was that close. In other words, an eighty-vote difference in the two counties is what I lost by.

**Mr. Rogers:** That was in the general election of 1938.

**Mr. Hodde:** Right, you bet. So, of course, I felt I was all through with politics. I didn't go back to lobbying for the Grange; I think I made one trip over there for a week on some special problem. I don't even remember what that was now, but I had been doing some irrigation farming with gasoline pumps and one of the projects that I undertook at that time developed out of an incident that happened in the front of the public service commission.

Washington Water Power Company was asking for a rate increase, and they served our territory, but we had no service out in the country, virtually at all. I was over here testifying as a sort of a representative of the Grange as much as anything, against the increase. This was shortly after the '37 session and Mr. Post, who was president of the Water Power, was there. He was very unhappy with my testimony, because I made quite a point of the fact that I only lived less than two miles from the power line and I had no luck at all getting any power out there for my irrigation pumps and that it was my feeling that they were being very arbitrary, and that they should not be given the rate increase until they developed a different policy of how they were going to serve the area. About two days later, a gentleman showed up at my ranch from Washington Water Power. He says, "Mr. Post told me to come up here. He said, 'You get that little red-headed bastard some electricity; I don't care how you get it, but get it there!'" So, we organized a mutual power company. There were twenty-seven of us out on Mill Creek there and we reached an agreement with Water Power. We put up all the poles and furnished the right-of-way, and they would put on the main-line wires, and the transformers, and the meters, and that way we got power before the R.E.A. came in. I merely tell that to say that it's been very difficult to get power in the country, so the R.E.A. was authorized to go to work in '38 and by '39, they were in business; we just beat them. Going back to the Water Power story for a little bit, less than two years after we got this line built in '37 and had power out there, and it turned out that we were good users, because pretty near every farmer used more than anybody in town would. It was a good investment and Water Power came back out and said, "We want to buy your interest out in this line," and we negotiated and got all our money back for building the line and they took it over. We kind of felt it was because they were afraid the R.E.A. might come in and create a problem for them there.

But, the R.E.A. did come into the area and this created a huge demand for wiring houses. There were just not near enough electricians around and my brother ran the Grange supply over there at that time and there were farmers coming in there every day and they were trying to figure out how to do their own wiring and everything else. He told me, he said, "Didn't you study electrical engineering when you were out of high school?" I said, "Yeah, I took a correspondence course; I know a little bit about it." And he says, "Why don't you get you a license and wire houses?" and I said, "I've never wired a house." He says, "There's a guy here who can't get a license, but he sure knows how to wire houses and you could hire him." So, that's what I did. I went up and got the bond, which was a big problem, from the banker and he said, "No problem, that to guarantee your work would be up to code." Then I hired this guy and the very first house we tried to wire was probably the toughest job I ever had. The guy that built that house was afraid of everything: termites, mice and everything else and

every place he'd put down joists—ceiling joists, or anything like that—he'd put metal over them. You couldn't bore a hole through it; it was just impossible. We finally got it wired and then I worked with crews, as many as five, but mostly we were a three-man crew, and we could do an ordinary country house in a day. We got quite a reputation and we were really busy, so that a lot of my time was taken up in that manner. But it was not a bad political move on my part, because I got acquainted with people all over, almost a hundred-mile radius of Colville, wiring their houses. It was a great way to get acquainted with people that otherwise you probably wouldn't meet.

**Mr. Rogers:** And you were filling a need for the citizens, too.

**Mr. Hodde:** They needed this very badly and were very appreciative of it. And the fact that I had a big enough crew—most people that went out in those days worked by themselves and they'd be bothering people for a week or two before they got their house wired. Then the word gets around that, "If you get Charlie, he'll have the lights on that night," and it happened lots of times and I got a good reputation that way.

I stayed at that, but I was farming all the time and I was logging in the wintertime and was quite busy at that, and so I did not run in the 1940 election. I felt there was no point in me sticking my neck out again and I was beginning to make a little money. Then, as it went along, you know, every farmer doesn't want the whole world, just what joins him. An old neighbor of mine died who had an orchard; well, orchards were very strange things up in the Colville country—commercial orchards. But, he also had over a hundred acres of level land, not too good land, pretty gravelly and all, but I thought with irrigation, which I was into pretty heavy on my own place, that it would be good land. The widow of the old man that had died wanted to sell the place and her son worked for the Highway Department, and he wanted no part of it, so he was talking to me about buying it, and I told him, "No way could I find enough money to buy it, but I'll tell you what I'll do, I'll rent it from you and I'll pay you twice what it's worth for two years, if you'll give me an option on it." Well, we worked out that kind of a deal and I'll always remember that not knowing anything about orchards, I really wanted the level land, but I had to take the orchard with it. This old gentleman had worked in a nursery when he was a kid back in Missouri; his name was Scroggs and he got out here and he went up on the side of the mountain and he put in this seventeen acres of orchard. One reason he had such a big orchard was that one of the trees in his earlier orchard, which was small, maybe four acres, had a red sport on one of the delicious trees; it was the first red delicious apple. He sold it to the Columbian and Okanogan Nursery and part of his payment was a thousand trees. So, he thought he could sell them all; he couldn't, so he planted the rest of them and that's the way he got the big orchard.

**Mr. Rogers:** That was the advent of the red delicious apples in that part of the country?

**Mr. Hodde:** Yes, that was the first red delicious apple in the world, as far as I know. However later, there was another sport in Wenatchee that was developed called the Richared, which was, I think—I don't remember the guy's name right now—but the thing that had happened was that there had probably been red sports on the apples lots of times, but previously it hadn't been considered important. Now, the apples are getting where the dark red apples were what sold; they were using them to decorate tables with and everything else. Anyhow, this resulted in him having this sizeable orchard, so after I'd made this deal, I called the horticulturist out to give me some advice. They had an agent there in town and he came out and I happened to be very busy down in the field doing something, and I said, "Just go on up to the orchard and take a look at it and tell me what I ought to do." He was up there for over an hour and came back down, and I said, "What should I do?" And he said, "Give it back to them." He told me all the things that were wrong with that orchard; everything was wrong with it. Well, I said, "I can't do that. Now what do I do?" All right, he told me how to put up moth traps and spray and I went and bought a power sprayer. The first year I didn't get enough apples off that orchard to hardly pay my expenses, just to balance out the books. The second year I had that orchard, I got enough money, I went and paid cash for the ranch. In one year's crop, I just had come that fast into very beautiful apples. I later put the orchard under irrigation and for about ten years it was a very profitable enterprise. Along about 1949, I forget the exact year now, we had one year right in there though, some ten years later, '49, '50 or somewhere along in there, where we had an extremely bad winter and it injured the orchard and it never was very profitable after that. We quit working it commercially in 1958, but that was a step in my farming practice that got me involved in horticulture, which turned out also to be of some value politically, to know more about a different (type of farming), because the Wenatchee area and the Yakima area where orchards (were predominate). A commercial orchard in Colville country, there was only one, and that was mine, I had to ship some apples to Wenatchee to find a market for them, actually. In addition to those kinds of activities, I was a member of the Chamber of Commerce, maybe a little unusual for a farmer, but I stayed mixed up with them pretty good.

So, then getting back to legislative activities that we're mostly interested in, I think, here, we had a senator named David McMillan. Dave was a pretty conservative old Democrat and had a pretty good ranch and all that, and some of us more liberal Democrats had been supporting the guy who succeeded me. First, there was a Republican elected, name of Beckley, Beckley and [Babcock] were the two successful candidates in the 1938 election and they served only one term. Then, the member from Stevens County, Beckley, was defeated by Walter Johnson. Later, Walter Johnson was a banker here in Olympia for a long time, but Walter and a guy

named Knickerbocker, who was the county chairman, came out to my ranch—and of course, by this time we're getting around to the 1942 election—Johnson having been elected in the 1940 election. We were pretty well covered up with work. You could hardly hire workers on the ranch. I had no idea of running for election and here these two guys show up. I remember I was raking hay, and they stopped me and they said, "Walter's going to run against McMillan," which I'd been urging him to do. "But, he won't run unless you run for the House, because we just don't have any other candidate, and we don't want to lose that House seat." And I said, "I'll tell you, I won't promise to campaign, but I'll tell you this, you just stop up at the house and Helen will give you a check for the filing fee. Tell her I said to do that, and you go on in and you send it in for me. She can sign my name for me." It might not have been quite legal, Jack, but that's the way it was done. They sent it in, but the funny part of it was, I got elected by a rather handsome majority really, but Walter Johnson got defeated in the primary and McMillan got defeated by Barney Dahl, a Republican, in the general election.

So, Walter did not get back in the Legislature, but here I was, back in the 1943 session. Of course, Pearl Harbor was December 7th in '41, and so by the time we got over to the session that was the big—the whole story—was the war. But, there were a great many other things that were handled in that session, that I think are of a good deal of interest. But, first, if I could just go back for a minute to the '39 and '40 session . . .

**Mr. Rogers:** Yes, I might say the '39 session the House had fewer Democrats than it had in the previous session; it lost about twenty members in the election of 1938, mostly the Left Wing Democrats that had fallen by the wayside. The House had seventy-three Democrats and twenty-six Republicans, while the Senate, in the 1939 session, had forty Democrats and six Republicans. Of course, that was the day when there were forty-six senators, not the forty-nine that they now have.

**Mr. Hodde:** Actually, the '39 session was the first session where you begin to have a Republican organization as such, after the '32 election. Before that, the few Republicans had joined with the more conservative Democrats in one caucus, and I think I mentioned when we talked about the '37, we had three caucuses, but then in '39, it got down to basically two caucuses. The Republicans and conservative Democrats still joined in most of the efforts of that type.

**Mr. Rogers:** I know the conservatives were firmly in control and they elected John N. Sylvester, a conservative Seattle attorney, as the Speaker of the House, by a vote of seventy-five to twenty-four in that '39 session.

**Mr. Hodde:** As I recall, I wasn't there, of course, but I don't believe there was a Republican candidate for Speaker at that time. One thing that I took some interest in at that time, having always been somewhat interested in tax measures, maybe more than others, was that in the '39 session, even though he had vetoed the application

of the sales tax (to food), approved in the '37 session under considerable public pressure, Martin came back and asked for it (the sales tax on food) again and he got it this time. They also put a tax on pinball and slot machines. This created a lot of public furor, because they were illegal. The Legislature said, "Illegal or not, we're going to charge them a tax. We can collect the tax; maybe we don't want to put them in jail or anything." So, for quite a few years we collected, I think it was, about five dollars a machine or something, tax on pinball and slot machines, even though they were illegal to have them in operation. It ended up we got some money out of it. They increased the Cigarette Tax from one to two cents and they put a sales tax on liquor and a sales tax on the purchases by government agencies that hadn't been there before, so there were quite a few tax increases, actually, in 1939. Then, as you move into the next election, or the next session, in the '41 session, after Langlie got in, he was scared that they were going to go broke again, and so they raised the sales tax—my recollection is—from two to three percent in that session. Actually, almost none of that money was ever used (in the biennium); the extra one percent, but it was kept as a surplus during the war years.

**Mr. Rogers:** That was because it was difficult for the state to make expenditures. They couldn't build buildings; they couldn't do capital expenditures, nor hire help during the war years.

**Mr. Hodde:** There might have been a lot of things that needed doing. And then the other thing is some of the burdens went down, because everybody was working; they did better then.

**Mr. Rogers:** Langlie had been the mayor of Seattle and the star of the Cincinnatus Movement, as I recall, which was kind of a Republican reform movement. He was elected over C.C. Dill, who had defeated Clarence Martin. Martin was the governor trying to get a third term and Dill defeated him in the primaries. Then, Langlie and Dill in the finals had a very, very close election that, I recall, wasn't settled for months after the election.

**Mr. Hodde:** Actually, Langlie was inaugurated all right, but there was a question raised in the Legislature about whether it ought to be challenged, and there was a committee appointed. They did do some research, but it never really was . . . he actually was in power even though there was a feeling that there might have been—that a recount might have been a good idea. One thing that should be noted in the Dill election, was that Dill had been a very prominent and successful United States Senator before he ran against Martin and had been very active in the Roosevelt administration in its earliest years.

**Mr. Rogers:** And the establishment of the Coulee Dam.

**Mr. Hodde:** Yes, all of that stuff we gave Dill a great deal of credit to.

**Mr. Rogers:** And also the Federal Communication Commission Act; it's my recollection that he was active in that.

**Mr. Hodde:** When he decided not to run for re-election, none of us could understand why until after the election was over. Then he filed for divorce from his wife and it turned out to be a very unpleasant situation. It's my opinion yet, that he would have been governor had it not been for the carry-over of the very bad publicity on the divorce. People in those days didn't accept divorce as well as they do now, and if a public figure like that got into a divorce court in a contested case, it was almost political death. And that's what happened to Dill, because he was so popular otherwise, that I think he might have been elected hands down. I actually supported him in that campaign against Martin and felt bad when he finally lost to Langlie.

One little comment about the Cincinnatus group; they were really a bunch of super-ethical people. They were not just conservatives; they felt like that they could sit down and write a new Bible and it would be better than the old one. They were just about that straight-laced. Langlie was not a member, but he accepted their support and he got tagged with that, but so what? He was about the only mayor of Seattle that ever got elected to anything else after he'd been mayor. The public viewed him as a very moral person, when he got in there. The first thing he did was take the bar out of the mansion. Langlie and I always had one thing in common; we were both non-drinkers and we had some very interesting experiences, and we might want to talk about them in a later election.

**Mr. Rogers:** Very interesting period, The Arthur Langlie period.

**Mr. Hodde:** But, as we went through this '41 session, one thing that happened there that made it rather attractive to me to get back in the Legislature. My county had, as I mentioned before, a lot of small school districts; the two counties together, over ninety of them. But, in the 1941 session, they passed a bill which we call "forced consolidation." Now, that may be a strong term, but the one factor in it that raised a lot of problems out where the small districts were, was that they set up a committee, a basis upon which they would recommend district size. They'd look at your county and they'd say, "Well, there's too many school districts here. We'll get more efficient operation, better education, if we can combine some of these districts into larger districts where they can have a bigger curriculum, more variety of teaching, and so on, than the one room school."

**Mr. Rogers:** Was Pearl Wanamaker the Superintendent of Public Instruction?

**Mr. Hodde:** Not by that time; no, now wait a minute, I take that back. Stanley Atwood was Superintendent of Public Instruction from 1936 through '40 and Pearl was in there. She beat him in the '40 election. That's right off the top of my head, I believe that's right. But, anyhow, they passed this bill and all it provided was that once this had been put to the people—the majority vote of all the people in the new district—in other words, if there were ten little districts put together, and one of the districts happened to have the majority of the votes, they

could swallow the rest of them, because they only had to have the majority of the people voting—the combined districts, the new district. We objected to that; we wanted a majority in each of the districts, so that was one thing that happened in the '41 session that caused us some problems.

It might be interesting to note that there were some important historical things that happened in the 1940 election. They passed Initiative 141. I like to mention this, because the figure doesn't sound big now, but it established a forty-dollar minimum old age pension. So, you say, "Forty dollars, man!" Well, to tell you the truth, forty dollars was about as much as a farm hand was making for full time labor. Anyhow, that was a move toward greater support that was rather surprising to come out with as big a majority as it did at that time.

The other very interesting story that grew out of that time was that the Tacoma-Narrows Bridge fell down, on November 7th, 1940. And one of the more interesting—there was a lot of interest in why it fell down and all that—but one of the most newsworthy instance was that they found out the insurance agent that had written the insurance on it was so sure that it would never fall down, that he never bothered to send the premium into the company; he just pocketed it. Well, it turned out that the state was able to collect the insurance, because he was a duly licensed agent and all that, and I don't know whether he spent time in jail or what.

**Mr. Rogers:** Yes, he did. His name was Hallet B. French. I very well know, because I have a personal story about that incident. Hal French used to call on the insurance agency where my young wife was working and he was quite an interesting man, but he didn't turn in the premiums.

**Mr. Hodde:** He just thought, "This is good money for me. It will never be noticed."

**Mr. Rogers:** "That bridge will never fall down!" Well, he did serve some time in jail; he became a very successful operator in the office machine and supplies business. So, he was a good businessman; he just had one lapse there.

**Mr. Hodde:** Well, that was a thing that I thought was extremely interesting that happened. Anyhow, the '41 session also authorized a ferry for the Tacoma-Narrows while they tried to figure out how to get a new bridge. In '41, December 7th, the bombing of Pearl Harbor put us right in the middle of the war. In the '43 session—as I mentioned, when I was urged to run again and I did get elected—I came over to that session, I tell you Jack, for one thing, by that time I was in the apple business up over my ears and everything going like that, so I had some difficulty in how I would handle that matter. But, being in January, February and in the early part of March, a farmer could usually get away and find somebody to take care of the problems that existed until he could get out.

**Mr. Rogers:** The 1942 election then, did you have opposition in that election?

**Mr. Hodde:** Oh, yes, I did, but as I said, I just sort of walked in, no problem. I don't recall for sure who the candidate against me was. The other party elected, though, as I remember, was a man named Griffith for Pend Oreille County who was a Republican. I thought that my move was maybe not too smart to get back in, but once I got back in, the disease gets hold of you and away you go. Of course, as I said, I couldn't have done it except it was confined to the winter months. One thing that happened that really put me in the thick of it was, I got back over there, and I don't know how I worked it out, but I got to be chairman of the Taxation and Revenue Committee, which was kind of unusual for a one-termer who had been out for four years. So, that put me in the limelight on some things that I might otherwise not have gotten into. We did a number of things during that session that have persisted over the years. One of them was to exempt automobiles from the property tax and put them on an excise tax basis. We'd had a great deal of difficulty in the state in making collection of property taxes on automobiles . . .

**Mr. Rogers:** They're moveable.

**Mr. Hodde:** They just disappeared before the taxes were paid and then you just didn't have anything to attach.

One of the other interesting things that I was involved in, we'd been passing a 40-mill limit by initiative, year after year, ever since '32. The reason it was initiated each time was in order to have it so the Legislature couldn't tamper with it, because at that time it was two years after an initiative passed before the Legislature could amend it. So, the 40-mill limit group would just reinstate it each time. That seemed to me to be an awful waste of time, so I made a compromise with them actually, that we'd write it into the Constitution, submit it as a constitutional amendment, provided they would take out, or allow us to take out, the provisions that divided the millage up between all the different taxing groups. They'd leave that to the Legislature, but just put an overall ceiling on it. They agreed to this, so we did get that out and it passed, and in the '44 election, it was in the Constitution then.

The other interesting tax problem that I was very much involved with, was that Langlie had decided, and probably with good reason, that local government was not getting enough money out of their local taxing powers to operate properly in both cities and counties. My recollection is that he suggested a twenty-million dollar funding of counties and cities by the state, about ten-million each. I objected to this and my philosophy hasn't changed over the years, I said, "Give them the taxing authority and let the guy that spends the money have to raise it; then they'd be careful." Anyhow, I was able to get enough support on it so that we passed a bill authorizing cities and counties to levy an Admissions Tax, a tax on admissions to any kind of an event that required a payment to get in to see it, whether it was a movie or sports event, or whatever. We had a little

battle. Perry Woodall, at that time, was becoming a fairly prominent legislator; he wanted it for the cities, and actually put it in the bill, but he didn't want it for the counties. One of the fights we had, was I'd go along with it, and the cities could have a share if they levied it, but only if they levied it, and Perry didn't want the counties to be able to collect any tax inside the cities if the cities had a tax. The thing that Perry didn't understand was that, constitutionally, if you're going to have a tax on a district, it has to be equal all over the district, and the cities are a part of the county district. So, we did finally compromise on something that I wasn't sure the court would support, but they did, and that was that. Where the cities levied a tax, we'd allow an offset against the county tax, so if the county tax wasn't higher than the city tax, it wouldn't be any different in the city than in the county. And that was finally passed, and it took care of the counties' needs for quite a few years, rather than having money granted by the Legislature.

**[Tape Six, Side Two]**

**Mr. Hodde:** One thing that I had quite a part in too, the Grange had initiated a measure to allow public utility districts to join together in doing power projects. This is a very interesting development over the years. This particular initiative was filed as an initiative to the Legislature, so the idea was to get the Legislature to pass it and it wouldn't have to go to a vote of the people. We were able to get this done, but after it'd passed both the House and the Senate, then the Senate passed a resolution to refer it to the people. Perry Woodall was pushing this in the House. However there was quite a little hassle on the floor, because when it came up, I moved to postpone it indefinitely before it was sent to committee—the resolution. We had a lot of parliamentary argument about it. However, we did indefinitely postpone it. Then, Perry tried to reconsider it—a vote—because we had about a six-vote margin to kill it. The Speaker ruled with me and they refused to reconsider. The funny part of it was though, after the Legislature adjourned and we thought it was all passed, then somebody filed a referendum against it, which you're allowed to do on an initiative to the Legislature, and it went to the next election and was defeated in the next election. So, in the '44 election, the Grange initiative on power was defeated.

**Mr. Rogers:** Who was the Speaker in the '43 session?

**Mr. Hodde:** Ed Reilly, "Freshwater" Ed Reilly, from Spokane. He was actually elected four times; he was elected three regular sessions and then there was a special session in '44 that he also served in. He was a good Speaker. He maybe was not the most brilliant legislator, but he did a good job; he was fair and he presided in some very difficult sessions when there was a lot of dissention among the Democrats, and so it's just too bad that Ed didn't get more mention than he did. I mentioned this Grange initiative mainly, because this was not the last effort in this regard. It was defeated then, but you'll recall that later, we did pass laws that provided for joint operating agencies, which ended up being WPPSS.

**Mr. Rogers:** That was passed in the forties, as I recall, was it not?

**Mr. Hodde:** I don't think it was actually implemented until near 1960, because when they passed it, you know, we'd first passed a bill that Langlie wanted; this was quite a lot later.

**Mr. Rogers:** Power Commission Bill.

**Mr. Hodde:** State Power Authority and the P.U.D.s and nobody else seemed to want that very bad and so they put the joint operating agency in and then, by reference, adopted all the rules and regulatory powers that had been in this other act. That's the reason I'm sure it was later, but I haven't looked at that for quite a while, but this was our first effort. What happened, of course, when this thing was defeated, the private power companies thought this would stop the developments we were talking about, like on the Columbia River and everything. But, Chelan, Douglas, and Okanogan and Douglas together, and Grant Counties . . .

**Mr. Rogers:** Those P.U.D.s.

**Mr. Hodde:** They just went ahead on their own, and through contracting out the power to raise the money, they built them as individual P.U.D.s rather than joint agencies. Maybe it should have always stayed that way as history turned out, but it did turn out that the loss of this was really not a big setback for public power.

**Mr. Rogers:** It didn't stop the development of the Columbia River power.

**Mr. Hodde:** See, in 1943, '44, there really had been very little public power development yet. There were some distribution systems in effect, but the generating system didn't come until the late forties and early fifties.

**Mr. Rogers:** I know that at that time there were questions that a small county, by itself, could undertake a huge project such as building a dam across the Columbia and, but it worked out in, as you said, not only in Chelan County, but in other counties, and became the real "bellwether" of the full Columbia River development.

**Mr. Hodde:** The thing that I'd mentioned earlier that had happened in the '41 session on school consolidation, it became a project of mine to get that straightened around. So, I had supported a bill, actually, as revenue chairman—I had not put my name on hardly any bills. I've been asked why not, and I said I thought I could be more effective if I were supporting, rather than sponsoring, but I did secure a couple of people to sponsor a bill to require a majority vote in each of the school districts being consolidated. We got it through the House, but we lost it in the—wait a minute, we didn't get it through the House—that's an interesting story there. The committee was divided, and either the people wouldn't sign on either side, or there wasn't a majority for or against it, when it came out of the committee. It went into Rules, but I had a great deal of confidence that it had enough votes on the Floor if I could get it on the calendar. This was one of the first really difficult fights that I had with Julia Hansen. We later became extremely good co-workers and good friends and worked on a lot of

things together. But, she may have been influenced by Pearl Wanamaker, and she didn't want this act changed. But she was on the Rules Committee, and, of course, as a new member, I was not. I thought I had a lot of support on the Rules Committee, but I didn't learn until a year or so afterwards, that every time this would be brought up, Julia would say, "I want to hold that another day." So, she had told me that she would sure get it on the calendar for me. Well, then she came out, the Rules Committee, the last meeting at which they could put it on the calendar for House bills to be considered, and it wasn't on the calendar. I said, "What happened?" She actually started to cry, and she said, "Charlie, I tried and they wouldn't let me have it." I said, "Oh, you've got to be crazy," because Ace Clark and several Republicans had told me—they were on the Rules Committee—that they would support getting it out. She stayed unhappy until the end of the session and so was I. I would hardly speak to her, you know; I'd just thought she'd sabotaged me. Later on, quite a bit later, Ace told me that they did it just because Julia had been repeatedly asking to be deferred and they just thought they'd teach her a lesson. So, they wouldn't let her have it when she wanted it then, even though they'd been supporting it. Anyhow, we didn't get it done until the '45 session and before we got the law changed to require . . .

**Mr. Rogers:** A vote in each district.

**Mr. Hodde:** Yes, each district by majority vote had to agree, but it was done at that time. I still think that the consolidation efforts succeeded in making some districts far too large. It's inevitable that some of the little districts would have to give up eventually, but we ended up with places where kids were riding pretty near an hour from home to get to school and an hour afterwards. In grade school, that's a pretty long day for the kids.

**Mr. Rogers:** Of course, that was one of the great objectives of Mrs. Wanamaker, was it not, to consolidate the districts and make them larger operating units?

**Mr. Hodde:** Absolutely, and she felt that they'd have better education. My own viewpoint was that when they got about so big the parents lost interest; they didn't feel they had any influence and they didn't show up at parent-teachers meetings or anywhere else.

Later, studies that I've been involved with—Wally Miller studies—well, a few years later, actually in '75—it was very interesting that the cost relation figures indicated that some of the districts were too big, that actually the cost per pupil went up in the districts as they got above 10,000 pupils; above that they were too big. I even facetiously suggested that if Seattle were split up into five or six districts, they'd do a better job, but, of course, that hasn't happened yet.

**Mr. Rogers:** There were some two thousand school districts in the state of Washington and they were consolidated down to around three hundred.

**Mr. Hodde:** Right. There are still a number of small districts where it just wasn't practical to transport the kids fifty miles to school and there wasn't any big school any closer than that, but I don't think that has remained much of an issue today. Once in a while, there'll be a little consolidation or something, but pretty much it's an old matter now.

There were a number of war bills in this '43 session that we ought to mention. The war was on, so consequently anything that had to do with supporting the war got a unanimous vote; there was practically never any vote against it. The counties were authorized to spend money for civil defense for example, and there were voting rules for servicemen and others. Actually later, there was a special session, in '44, to pass a special voting act for servicemen. In fact, it was the only thing that was done at that session, although there were a few other items in there that we might want to . . .

**Mr. Rogers:** We were voting from the foxholes then.

**Mr. Hodde:** Yes, it'd give them a basis on which they could get their votes in.

One thing that interested me personally was that this was a session where we finally set up a committee to determine a basis for allocation of gas tax money to counties and cities. In our earlier conversation I mentioned that in the '33 session, I had come up with the idea after a long stalemate that we just give each county the same percentage of the money that they got before the 40-mill limit was passed, and this stayed in effect for ten years. I guess it really was about twelve years before they finally got something adopted, but the '43 session—ten years later—set up this committee to come up, and they did come up with one that involves things like school bus miles and stuff of this type. That's been tampered with some since, but in the '45 session, then, we adopted a new method for distributing that probably was more equitable than the original thing of just saying, "Well, what's been the best?" But, this was the session at which we set up the special study committee that put that together.

**Mr. Rogers:** And then, I think it was passed in the '45 session.

**Mr. Hodde:** Yes, I believe it was '45 that it passed.

The '43 session also established the amount of money that could be paid a state employee for expenses away from his office, at six dollars in the state and eight dollars out of state and mileage at five cents a mile. I think this is interesting from a historical aspect, about what it cost to do business in those days.

I think we ought to talk a little bit about the '44 session. The '44 special session was convened by the governor for the principal purpose—or practically the sole purpose—of authorizing a method of servicemen voting, that would be operable, and could get them where they could handle the voting and still stay with their

war duties. However, there were always some people who'd want to do a little bit more than that. Even though we passed a resolution, or endeavored to, to limit it, there was objection to that on the basis that the Legislature shouldn't be limited and it would take two-thirds vote to do it or something of that type, amend the rules, or one thing or another. It ended up that that is the only legislation, other than those like expense of the Legislature and stuff like that, that was passed.

However, I supported a bill in the House, which passed the House by a very good vote, but was never taken up in the Senate. I proposed that we set up a reserve fund of twenty-five million dollars to take care of basically, capital construction projects that couldn't be taken care of during the war, and that we'd have this available after the war was over. This would include any kind of capital construction, practically, because under the war effort, we were not allowed to do it. We had accumulated surpluses in the treasury, because, as I mentioned earlier, in the '41 session, there'd been tax increases as well as the '39 session, and then with the war effort coming on and the inability to make capital improvements, surpluses were piling up. It was my feeling that they ought to be earmarked and held for that purpose and not be a temptation for everybody to add it to something else: teachers' salaries, state employees' salaries, or in some manner, even to cut taxes and get rid of it. So, I think it was six days, why, we quit and went home.

There were a few other things proposed, but I don't believe there was anything else, other than the Voting Act and the appropriation for expenses, that passed one House, other than the Hodde Reserve Bill.

**Mr. Rogers:** This is Jack Rogers interviewing Charles Hodde about his days in the Legislature. The 1944 election carried several surprises, perhaps the most important of which was the fact that United States Senator Mon Wallgren left Washington, D.C., came to Olympia, and filed for the position of governor as the first term of Governor Arthur B. Langlie was winding down. The fact of the matter was that Mon Wallgren was elected in the fairly close election that year, in 1944, and set the stage for Mon Wallgren to make an address to the new Legislature. The other important thing that occurred during that time, in the '44 election, was the fact that United States Senator Homer Bone had announced that he was going to resign to accept a federal judgeship, and Congressman—a new congressman—by the name of Warren Magnuson from Seattle, threw his hat in the ring to succeed Senator Bone. Also running in that race was the mayor of Tacoma, Harry P. Cain. As we all remember, Senator Magnuson was elected United States Senator and went on to a long career in that position. Governor Langlie, as I said, completing his first term, was favored strongly over Wallgren, but in this state, with F.D.R. running for the Presidency and Harry Truman as his running mate, they prevailed in defeating Tom Dewey and Bricker in the Republican ticket handily in this state. So, Wallgren, and Vic Meyers, and other Democrats down the line were elected. At that time, Governor Langlie exhibited an act of statesmanship

by appointing the newly elected Senator Magnuson to Homer Bone's unfinished term and helping the young Senator's seniority placement in the Senate. Langlie angered many Republicans who wanted the interim appointment as an honorary gesture.

My appraisal of the 1945 session, Charlie, which you were a member of, is that it didn't do very many earth-shaking things. I think that the establishment of the medical and dental school at the University of Washington was probably one of the most important things that were done. The Legislature appropriated \$450,000 for operation and maintenance, and some three and three-quarters million dollars for a building fund to build some post war buildings. That was, of course, 1945 and the war was still on, World War II. What were your thoughts about the 1945 session?

**Mr. Hodde:** First, going back to the 1944 election. I think it's interesting, the things that can influence an election of this type. It was a fairly close election; we had some good campaigners on the Democratic side. I want to mention Lady Willie Forbus from Seattle. Lady Willie—she was a lady all right—but maybe they wouldn't have termed her that if they'd been looking at her political activities. She campaigned all over the state, clear over in Colville, where I was campaigning for the Legislature. Lady Willie Forbus, shows up in a van and parks right on Main Street and plays a little loud music until they get a few people around and then she explains to them how this "hypocrite Langlie," she called him, had done the unthinkable thing of buying two distilleries, when he boasted of having taken the bar out of the mansion and never took a drink. She did this all over the state, so the campaign, like lots of campaigns, got involved. And maybe it sounds like I'm defending Langlie, but actually it was a clever move on her part.

I just want to throw in there, that the same kind of tactics might have been what helped defeat Wallgren when he ran for re-election, because he'd come out in favor of liquor by the drink. The thing that some people today don't understand is that the people who are still of the opinion that Prohibition should have been kept, that liquor was bad entirely and there's no place for it, that one issue would swing them on an election, where maybe they'd agree with Langlie on everything else, but if they thought he was a hypocrite on that, they'd vote against him. Anyhow, it was a close election; Wallgren got elected and there was a pretty good-sized Democrat ballot for just about everybody. We had a nice majority in the House and I was chairman of taxation again, and we elected Yantis Speaker. There was a Republican candidate by the name of Kramer, but he got very few good speeches and as soon as the ballots were cast, Kramer got up and said if the law would allow him, he'd make it unanimous. So, they really were patting Yantis on the back a great deal. He had been Speaker in I guess the toughest session there ever was, in '33, when everybody was practically new, and it took a bit of doing on his side.

We get into the session though, and you kind of reflect back and try to remember what was important, and there were a few important things that were passed, but they certainly don't stand out. Some of them that we had the biggest fights over turned out to be of no consequence. A P.U.D. bill that would have allowed the P.U.D.s a practical method of taking over the Puget Power system—most people today couldn't believe it probably—but Puget Power was the big lobbyist for this. Puget Power wanted to sell out. I don't remember the exact figures, but their stock was down, seems to me like it was in the nature of nineteen dollars a share and they were going to get twenty-seven dollars for it if they sold out to P.U.D.s. A great deal of work had gone into this proposal and the legislation did pass and the opportunity was there, but all the P.U.D.s involved in the territory had to agree, because the way legislation was drawn, one P.U.D.—and I believe it was Skagit—would be the purchaser, and the law allowed that P.U.D. to sell anything that they didn't need in order to operate in their own county to other utilities; in this case it would be P.U.D.s. So, each P.U.D. then, that had Puget Power in their territory, would take over that portion of it. One county—and I believe it was Kitsap—refused to go along, and then some of the others began to get cold feet and about that time Puget began to make some money and give us another two years and Puget didn't want to sell either. So, what had sounded like it was really a move toward one-hundred percent public power on the coast, or at least the Puget Sound area, it didn't turn out that it was anything too significant and has been largely forgotten about by now.

**Mr. Rogers:** A bill that you had your name on was House Bill 303; that was relating to the reorganization of school districts and carried out your efforts in the matter of consolidation of school districts.

**Mr. Hodde:** You'll remember when we're talking about the '43 session, that one of my big disappointments was my inability to get a bill out of Rules Committee that would have changed the law, passed in 1941, that allowed districts to be consolidated by a majority vote of all those in the proposed new district. We wanted a majority in each district that was being consolidated. We didn't get it then, but we did get it rather easily by a big vote when it got into the '45 session. So, while I considered it of a great deal of importance, it didn't really involve a great deal of work on my part. I don't think I worked near as hard as I did in '43, when I wasn't successful; maybe that's the reason.

We did a few other little things that were important, I think, that people that are interested in city government would be particularly interested in; the fact that we amended the excise tax on automobiles, which we had just passed a couple years earlier, to replace the property tax. We amended that to give four-cents per head for all the population in the cities to a new function established up at the University of Washington, which in the bill was called the University of Washington, Bureau of Governmental Research. It's had some other names, I think, since that, but the principle duty of that was to do statistical work and make recommendations

on municipal governments.

I think that there might have been other legislation that I'll recall, but right now I just find it difficult to remember very many things in the '45 session that really had a lot of impact.

**Mr. Rogers:** We must remember that the war was its winding down stage at the time.

**Mr. Hodde:** Yes, we were quite preoccupied and you know, I might reminisce about my own business for a little bit there. There never was another session when as many of us were as anxious to get home as there would have been the '45 session there. As you said, the war was winding down. It was still going on—we hadn't—Hiroshima wasn't here yet and the Japs were causing us plenty of trouble and it had become extremely difficult to maintain any kind of operation. Actually, during this period, from '43 through '45, I'd given up my electrical wiring business. I remember very well, we were down to where we could only get enough material, there were two of us to work part-time, and I had an assistant who'd worked with me for several years named Paul Holter. When I told Paul I was going to quit, he said, "Oh, God, I don't want to do that, Charlie, I'm depending on this." And I said, "Look, Paul," and I just laid out my tools, and I said, "Here's my pipe bender, and all my stuff and even my pliers. I'm going to quit and here it is. It's all yours; it don't cost you a dime." He said, "I can't get a bond." And I said, "Well, sure you can. Go in and talk to the banker." He went and got his bond and he just took it over, and Paul stayed in that business in a minor sort of way, just working by himself, for another fifteen years or longer, maybe twenty. So, I got out of the electrical business. I had already virtually quit logging; I did go back in '53 and do a little logging, but I was raising certified seed potatoes and I had an orchard, which, I think I mentioned I had bought and this was taking a lot of work. Financially, I was doing all right, but you don't know whether you're doing all right or not when you're working from five o'clock in the morning to ten o'clock at night and wondering how you're going to get the work done. You hire kids—and I recall very well—we're digging potatoes in that country when there's very much danger of frost and they let kids out of school to help you. This was before I'd gotten mechanized as much as I did later, but you plowed these out with a potato digger and then you had to have them picked up. So, they'd let kids out of school to work. Well, we paid pretty good wages for what people were used to and these kids would come out there and about two o'clock, they figured they had enough money and they'd go off and leave you with maybe a thousand dollars worth of potatoes laying on top of the ground that were going to freeze that night. You're hollering up to your neighbors and everything else to try to keep the thing operating. I did mechanize earlier than pretty near anybody else in that business, within a few—well, I think by 1943, I had a sacker that followed right along behind the digger. There were no more potatoes laying out for the kids and I quit hiring kids. I hired old men, 'cause they could stand up on this machine and throw the vines off and the potatoes went right over into sacks. You just had one

good husker to set the sacks off, and then a year later, I advanced on that a little and I put a trailer on there so, they just bulked in and the trailers were hauled up and dumped right into the storage. So, the war drove us to mechanization where we never would have attained it so fast. Horses became absolutely obsolete. Tractors were not that easy to get; they had some funny regulations that are historic. If I wanted to buy a tractor, it didn't matter how much credit I had, I couldn't buy a tractor unless I paid a certain percentage down in cash. I had planned to buy a tractor in 1942, when these regulations came in—I don't remember the exact figures—but I think the tractor was something like eighteen hundred dollars, and I had to have a minimum of five hundred down or something of that kind. About that time my wife went to the hospital, in the spring; she was in there six weeks. Actually, I guess it wouldn't hurt to mention that she was pregnant and it was threatened with a miscarriage and it cost the old man quite a bit of money, but it turned out good, because our youngest daughter was born in July. But, by the time my wife got out of there, my tractor had arrived and I didn't have a dime of so-called cash, but I was dealing with a very understanding dealer, so I borrowed the amount the government allowed me to borrow and he put the rest on open account. He didn't show what the hell it was for; it was just like cash to him, and so I got my tractor.

Anyhow, those were funny times; it's hard to conceive of them now. Sure, there was money to be made and there was lots of demand for your produce and everything else, but you were in a constant turmoil all the time and when you had to go to the Legislature, you really wondered. You know, in the '44 election, this might be an interesting story, by that time I had built a warehouse for my apples and I was sorting apples; it was harvest time and election time and we were pretty busy around the warehouse. I put an ad in the paper and I said, "You haven't got time to talk to me and I haven't got time to talk to you and I can't pass out cigars; I'm too busy sorting apples. If you want to talk about politics, come on out to the warehouse, I'll give you an apple and we'll talk while I keep on working." And I got a hell of a vote; I never campaigned at all! But that was the mood of the country. Everybody was that way; they just didn't want to be bothered, no question about it. So, in effect, incumbents had a very big edge in that particular election, because if you went out wasting your time, they'd be critical of you. "Why aren't you home working?"

Anyhow, in the '45 session, we had a good Speaker, a good majority; we did the things that needed to be done. I don't mean that there was nothing important; I thought this change in the school consolidation voting requirements was important, we set up the hospital you spoke about, and the Bureau of Governmental Research. You can point to a number of things like that. You might be interested in another thing that happened right after the session.

**[End of Tape Six]**

# TAPE SEVEN

---

## [Tape Seven, Side One]

**Mr. Hodde:** Wallgren put me on the Civil Defense Committee at the start of his reign. This was a committee—I think it was twenty-two people picked from over the state—that were supposed to be the contact for the governor’s office in case there was some real problem that arose, you know, in relation to the war. The Japanese at that time—we were told in this very private meeting, nothing in the papers about it at the time—but the Japanese were sending up balloons that were inflated in a manner that would keep them up in the jet stream until they got over the United States and then there was a timing device, and they would come down. When they reached a certain level of elevation it would detonate the bombs—release them. So, we were told about this at this civil defense meeting before I went back home after the session.

One of the other jobs that I had during this time was sales clerking for a neighbor who was an auctioneer; it would be a day or two a month sometimes. We were on our way down the Columbia River to a sale one day and I was telling him, “This is all secret, but I know you’re not any Japanese,” so, I was telling him about these balloons that were supposed to be coming over in the jet streams and they’d be coming down in the forests here and they hoped to set the forests afire and everything like that, and that we were advised that this was unlikely, but we should be on guard. If we got any word of anything like this, we were to immediately notify the State Patrol, which would notify the governor’s office and see that proper action was taken. Well, this was the middle of March or late March, after the session was over, and I was home about the next Sunday. I got a call from Joe Garvey, the auctioneer, and he said, “Charlie, can you come over right away? I’ve got something to show you.” I said, “What the hell you got, a two-headed calf or something? I’ve got company.” He says, “Don’t you pay any attention to company, I want you to come over here and you come by yourself.” Well, I tear over there, Jack, at his place, only about a mile, and I said, “What have you got, Joe?” He says, “That’s all right, you just follow me,” and he started walking out in the field. I saw what looked like a snowdrift out there, and it was too late for a snowdrift. So, we walked out there and here it was, one of these Japanese balloons. They were made out of a kind of, we’d call it plastic now, although it wasn’t as strong as most of our plastic, but it was a filmy kind of a cover. This thing was big enough that it covered a spot bigger than a house, all folded up and flattened

out. And I told him, "We're not supposed to touch it. We're supposed to call the State Patrol." So, of course, we got into his house and immediately get a hold of a state patrolman. The patrolman they had up there was a novel guy; anyhow he liked that area. He liked to swagger around like an old Westerner with a pistol in his holster. Well, he comes out there and he's just as excited as hell; all at once something's going on in his territory. So, we're all—and he'd been told absolute secrecy, no word to anybody—well, you know how secrets like that keep. I got home and Joe called up and said, "Why don't you bring Helen over?" And I said, "Well, I think that'd be all right, wouldn't it?" And it's dark, so we go out there, no, I guess it was the patrolman that stopped by, and said, "Why don't you go on?" He had his wife with him. So, we went over there and there were six of us who go out there in the night. It was darker than pitch and nobody had shown up yet, and we got our little flashlights and are holding our hand over them so the light won't show. We're about a quarter of a mile from the road, but we didn't want anybody to know we were out there looking. This patrolman takes a chunk off of it, about a foot and a half by three feet, a big one. My wife gets just a little one, about three or four inches each way for a souvenir. We'd been told you shouldn't do that; they might be loaded with disease germs, anything that the Japs might put on them. But, anyhow, so much for that, then we went back home. The next morning, it's just a little after daylight, a couple of Army guys show up in, I think it was a jeep, but anyhow, in some kind of a vehicle, and they drive their vehicle right out in the field, in plain sight, and they walk up and down there with their guns, all morning, and people are going by on the road and wondering what the hell's going on over there? I was in town and they were talking about, must have been an airplane wreck or something. About eleven o'clock a string of military vehicles about a quarter of a mile long, show up; you'd have thought there'd been a real invasion. All through town, and one of the sergeants or officers walks around with a newspaper in different stores and says, "We know you can't keep these kind of secrets here, but just don't put anything in the paper; don't put it on the radio. Don't give out the news, but everybody should know there's no danger. One of these Japanese balloons came down. We'll have people here pretty soon that know how to disarm them. It's not close to anybody's house, everything is safe." Well, we were all over there, of course, to watch them, those of us who knew where it was. And here comes this van in there and I'm right up in the front row, ready to get blown up with the rest of them. Well, a guy that's in the van, he gets up, and it wasn't his first one. He lifts it up; there were burnt fuses all around there, but no bombs. So, Joe, the fellow that found it, was reminiscing that he remembered several weeks before, in a big snow storm, hearing some loud explosions and that he had a neighbor who was always doing odd things and he thought, what in the hell is Gehringer out there blowing up stumps at this time of night for? Well, evidently, the bombs had gone off before it got down to earth, see, and

it was so wet—it was supposed to be fire bombs—it couldn't set anything afire, because it was just absolutely covered up with snow immediately, and nobody saw it until the snow went off.

**Mr. Rogers:** The theory was that the Japanese were going to burn our forests, start forest fires?

**Mr. Hodde:** Actually, Jack, it didn't ever get very good coverage, but some of these went as far as Iowa, and there was a couple killed down in Oregon who found one just like this, but they tried to investigate it themselves and there was still a bomb in there and it went off and killed them, up in the woods. It was an unsuccessful effort, but when you think back, the Japs were putting literally hundreds of these into the air in the hopes that they could demoralize the United States. And to have one come down within a mile of your place is kind of thrilling for a wartime story, anyhow.

**Mr. Rogers:** It certainly is. Well, the '45 session, while it was not distinguished by the depth of legislation that it passed, it did several other things besides creating the medical and dental school at the University of Washington. They, as we mentioned before, established hospital districts where areas were short of hospital facilities could have an agency that had a little taxing power to meet the needs of hospitalization.

**Mr. Hodde:** We still have hospital districts that were created out of that, Jack, and they create some problems now. I don't want to say they weren't necessary and they shouldn't have been done, but very recently they've been problems, because they were given property tax authority and when we got the ceilings on property tax we have, they sometimes complicate the matter of library districts, hospital districts, weed districts, you name it, fire districts, and the levies get too big. But, it was an important step and I even served on the board of the one in Clark County when I lived down there a few years ago, and it was a real service to the community to have the Hospital District Law passed.

**Mr. Rogers:** The burgeoning aeronautics business was coming to the fore, and the Legislature of 1945 created an aeronautics director and an advisory committee. The Legislature also passed some regulation of aeronautics by municipalities and other political subdivisions to administer and enforce airport zoning, limiting the height of buildings around airports and that sort of thing.

There was one piece of legislation that was rather controversial in that session, it was passed, and it created a State Timber Resources Board with the governor as chairman and some other public officials as members of it. There was great excitement about that bill. It was ultimately referred to the people for a decision and the people turned that particular bill, State Timber Resources Board, down. The Legislature also created a Washington State Development Board that was to spend some of that wartime surplus.

**Mr. Hodde:** Yes, I gave some support to that because, as you recall, I had tried to get a bill adopted earlier to

set up the first of twenty-five million reserves for capital construction. This was kind of a follow-through on that, and it was a reasonable effort, but I'm trying to remember, didn't the next session repeal it?

**Mr. Rogers:** Yes.

**Mr. Hodde:** It got going, but it never did really do the job that it was intended to do.

**Mr. Rogers:** I know that they appropriated some seventy million dollars, ten million for cities and ten million for counties and the rest for the state, to do these projects around the state, but after the next election, and the new Legislature came in, in '47, they repealed this development board, and that was the last we heard of it.

The Toll Bridge Authority at that time was given the authority to purchase and operate toll bridges and ferries, and that ultimately led to the state's purchase of the ferry system.

**Mr. Hodde:** Yes, and they also purchased a bridge down in Vancouver, but this was quite a bit later, both of them, but then the authority was given there, that's right. The ferries weren't purchased until '49, '50, somewhere in there, the early fifties. I recall very well that I was on the Toll Bridge Authority—this is kind of getting ahead of the game—but I was on the Toll Bridge Authority in the early sixties, when we bought the bridge between Portland and Vancouver and set the tolls on it, and it reverberated in my disfavor when I moved down there and took a federal job. My office was in Portland and my home was in Vancouver and I paid tolls twice a day on there. What we laughed about was we set the tolls at twenty-five cents, which was admittedly more money than it would take to pay the bonds off in the scheduled time. Fifteen cents would have done it, but I admit that I also said, "Why make change? Make it a quarter. Who's going to stay home for ten cents?" So, I paid the extra ten cents twice a day for about five years, before it was paid for.

**Mr. Rogers:** The 1947 Session of the Legislature was marked by the resurgence of the Republicans. After the '45 session, which had been Democratic in both the House and the Senate, the Republicans obtained seventy-one seats in the House. Thirty-one of the new Republicans were freshmen members of the House and the Speaker was a man from Spokane, elected, an attorney, by the name of Herb Hamblin. There were twenty-eight Democrats in the House. Now, over in the Senate, there was a very interesting line-up: there were twenty-three Democrats; it was a tie. So, that kind of led to a coalition in voting among eight conservative Democrats and the fifteen liberal Democrats, who were led by Albert Rosellini at that time, who was a rising young senator, who had emerged as a leader of the Senate Democrats. Pearl Wanamaker was the Superintendent of Public Instruction and she presented the Legislature with a request for a hundred and sixty-one million dollars, which was a huge appropriation for education at that time. And that was to implement a nineteen-point program that Mrs. Wanamaker had planned for the school children of the state. So, in that setting, in that big swing toward the Republicans, Charlie, you found the 1947 session interesting, I presume.

**Mr. Hodde:** Well, it sure was. It started out with a surprise for Charlie Hodde. Only twenty-eight Democrats, and of course, we had to caucus and pick a candidate for Speaker, or floor leader, or whatever. You know, to tell the truth about it, I can't remember whether we nominated anybody for Speaker, I don't think it was me if we did, but anyhow, Arthur Callow surprised me. He was from Grays Harbor, quite a conservative elderly member of the Legislature. Actually, his son, later, was Superior Court judge and I believe it was in Tacoma, but anyhow, I've seen his name as Superior Court judge, and Arthur Callow said, "Charlie Hodde should be the Democratic leader on the floor." There was some dissension over that I'm sure, but anyhow, I ended up getting picked by the majority of them to be floor leader, which made this session much more interesting to me than it would have been otherwise, because that meant that in some manner or other, I'd have to figure out some way to get the Democrats on the record, get something done, at least open their voice, because we ran into a situation there we had never expected. With seventy-one members you'd have thought the Republicans would have been unconcerned, "Let the Democrats talk, and on the vote, we'll vote them down." But, Perry Woodall had a system that may have been a good system from his standpoint, it certainly shortened up the sessions, but whenever a Democrat offered an amendment to a bill of any significance at all he'd merely raise the question of consideration and they would not consider it and so then you'd go on to something else. This caused us to pick other ways of trying to do things.

**Mr. Rogers:** The question of consideration is certainly a brutal legislative tactic, because it cuts off all discussion.

**Mr. Hodde:** Yes, it is. You can't even say what you offered. Anyhow, this caused us to operate—it caused me to operate at least—in a little different manner than I would normally recommend for being effective. But, still, when I look back at the record, I don't feel I was too ineffective as a minority leader. I was allowed to talk in committee except, for instance, they had a bill they called the Power Commission Bill, is what it was listed as, but really was a private power company bill to really decimate the P.U.D.s, reduce their power, require all bonds to go to a vote, just, in effect, to make it almost impossible not only to expand, but to exist. This has an interesting story to it that I want to put on the record, because I think it shows what a minority may be able to do if they get into certain situations. I had almost forgotten this story until a few years ago. I was at a meeting—and actually, it was back when Nixon was elected, that far back—and the president of Idaho Power Company was at the meeting and I went down—I was a federal employee at the time—to honor the new Secretary of the Interior. I introduced myself to him and he said, "You don't have to introduce yourself to me, I remember you from way back." I said, "Why would you remember Charlie Hodde?" And he said, "I was over at the

Washington Legislature at the invitation of Mr. Post, who was president of Washington Water Power, and we were sitting up in the gallery, and he says, "I want you to be here, because this is a historic moment. We have really got these P.U.D.s. We've got seventy-one Republicans in the House; we've got a coalition in the Senate. No problem about it. We're going to put them on the rocks, and I wanted you to be here to see it happen." Pretty soon he says, "Now, it's the next thing up, it's the next thing up," and the next thing they read a bill title and a member jumps up—actually it was Warner Poyhonen; I'll tell you the rest of the story a little later, but Warner's from Grays Harbor which is a P.U.D. county. He's a Republican, but later was a Superior Court judge and all that, but a very honorable gentleman. Let me go back and say that he and Ace Clark, who came from Whitman County, which is private power country, but they had come to me and said, "Charlie, we are so annoyed by the fact that private power companies, all of them, are down here and we don't get a moment alone. They are just plaguing us all the time." He said, "Charlie, if you can figure out a way to kill that bill without having a roll call vote, we're with you." I said, "Okay." So, I suggested to Warner that he make the motion, raise the question of consideration, which Perry had been doing all the time. So, he had jumped up and raised the question of consideration; then I immediately jumped up and asked for a division. Well, Perry Woodall hadn't caught on yet and he thought division is fine so he jumps up, too. Well, the way the rules were interpreted then in the House, if you had a standing vote you could not then ask for a roll call; the standing vote cut it off. And so just that quick: the motion of consideration, division, stand, motion to consider had failed, we're not going to consider, and he said, "I looked over at Mr. Post and he says, "It's dead, it's dead as hell." So actually, I never could have done it, although there were Republicans that didn't want to pass it. You realize that there were a lot of Republicans from P.U.D. districts and they were faced with breaking with their parties. All they wanted was just a hole to get out of where they couldn't pin it on them, and so that got me out of a real hole there, and I felt real good about that. Well, if it had passed, the Grange would have filed a referendum on it and we'd have had another big battle.

**Mr. Rogers:** Another statewide power battle.

**Mr. Hodde:** Yes, but anyhow, this shows that in a minority you can sometimes...incidentally that bill was voted out of committee, but they only invited the Republicans to come to the meeting. The Democrats weren't even invited, didn't even know they were having a meeting, but of course they had a majority so they held a meeting, reported out "do pass." So, you won't find any minority report on it.

**Mr. Rogers:** Sometimes the tyranny of the majority.

**Mr. Hodde:** If they had a majority of one you might excuse them for something like that, but when they've got a seventy-one, it was over two-thirds, it was hard to understand for some of us, at least.

We did another thing that session that needs to be mentioned. Actually in '45, we had appropriated some money to improve what's now the Capitol Lake area, the Deschutes Basin. It was a terrible mess, right beside the Capitol. It was a mud flat and all along the mud flat was really the old red light district of Olympia, and shacks and tumbled-down, and one thing another there, and so Yantis had wanted to get something done about it. Well, he got a start, but very little in the '45 session when he was Speaker; in '47 session he comes back and of the twenty-eight Democrats, he was one of them, and he was sick with cancer. Consequently, he could only be there part of the time and he really looked terrible, he was hurting all the time. But, he had this bill in there to appropriate, I think it was to issue a million dollars worth of bonds, and construct the dam and make a fresh water lake out of it. He didn't live to see the fresh water lake, but he had a big vote in both houses. I was surprised it had anybody voting against it. I had never been particularly fond of the idea myself at that time, spending a million dollars to build a little lake like that; we thought maybe you could dredge it out and fill it up or something. But, anyhow I noticed in the Journal that Barney Dahl from my district was one of the few people in the Senate that voted against it, and in the House there were only a handful of people that were just against spending the money, that opposed it. So, at least, we did get a lake built, which is still a problem in Olympia as to how to keep it cleaned up.

Another interesting bill—I'm talking mostly what I had my successful fights with, because most of the time, to tell you the truth, there were times when some of us Democrats felt so useless, not even being allowed to talk, just come and go home, that I played my first golf during that session. Somebody, I don't remember who it was, that knew how to play golf, they said, "Oh, to hell with them, let's just go out and play golf." So, a couple afternoons I went out in the sunny afternoons in March and went out and played golf, my first experience trying to play golf. But, we were there most of the time and we were trying to do something, but one thing that a lot of attention was given to at that time, we wrote a new game code. We'd had the State Game Control for a long time; the initiative passed in '33, but this was a comprehensive state game code, largely what we have today, that was passed at this session. One of the things in it that I got quite interested in—I had an orchard, I had a lot of deer damage, and there were places where elk were doing a lot of damage, and my old farmer friends over in Pend Oreille County had a lot of beaver damage. The reason we had so much was, if you look at the map, the Pend Oreille River, which becomes part of the Columbia—of course it flows north through Pend Oreille County, which is against the trend of geography, really. The streams and everything there, it's very flat, and it was an excellent place for beaver to build dams—not in the Pend Oreille, but in all the tributary streams. They'd flood out a farmer's land. And the beavers were absolutely protected; you weren't even allowed to kill

one if they were eating your kids, you had to call the game warden to kill him. Well, they didn't eat kids, but what I'm saying is they were very, very protected. So, I wanted to be able to put beaver in with deer and elk as the farmer being able to get damages for them, not necessarily to get rid of them, but to make the state pay for the damages they did. The Game Department didn't want to do this. We had a game director then name of Clark, and he was a Democrat appointee of Wallgren's and so he and I usually got along pretty good, but he wouldn't go along with this. I offered my amendment and it was defeated, so I sat there thinking, "Now what does a guy in the corner like this do? At least I can stir up some trouble." So I hurriedly wrote an amendment; this was in the section of the bill that said "it shall be unlawful to . . ." So, I wrote an amendment that said, "It shall be unlawful—I can't give you the exact words—it shall be unlawful to have with you in the woods when you're hunting any intoxication liquor on your person or in your camp or anywhere." You couldn't have any there. Then I asked for a roll call, and this was a dirty trick, because my old dry Eastern Washington Republican friends could not vote against—they couldn't vote for approving a man having liquor, carrying it out with his shooting irons and stuff, you know, and so, by gosh, they adopted the amendment. About that time we recessed for lunch and Clark met me just as I started to leave my chair and he was just terribly upset. He said, "Charlie, we won't sell enough licenses to pay game wardens!" And I said, "Well, it's pretty bad to be out of money. What do you think about my poor little farmers and their beaver dams?" "Oh, is that what's going on here?" And I said, "It seemed to me like it was a pretty minor thing to ask for. Now you know what it's going to be like to be hard up and I'm not too sympathetic." "Well, we ought to be able to work something out." Well, if you want to look at the records you'll find out that when we came back into session, beaver did get into the damage section, if you read the statute, it's deer, beaver and elk they pay damages for, and then there is another section where the motion, the amendment by Mr. Hodde, was reconsidered and it was amended to read, "It shall be against the law to be intoxicated in the woods, while carrying firearms." That's in the law yet. But, that's an interesting thing of what can be done under certain pressures and I think the public gets very few of these stories about how things really get accomplished at times. So, I thought I'd throw that one in.

Even in the minority, I want to say this for fear somebody misunderstands, Herb Hamblin was probably the fairest Speaker that ever presided, including Charlie Hodde. He was an absolute gentleman, he didn't approve of what some of his colleagues were doing; he always recognized me if I stood up, he said that, "I think the leader of the opposition is entitled to talk." So whenever he could, he would. He even asked me to preside a couple of times, which is very unusual under the circumstances, and I did preside a few times. I didn't know it at the time, nor did he, that I was training to be Speaker, but nevertheless, I wanted to say that nice word about Herb Hamblin.

Now, one of the things that I did introduce, and secured passage of, was a bill to change the method of taxing P.U.D.s. Some people said this was a blow at P.U.D.s. It was not; the P.U.D.s supported it. We were all constantly being criticized by local governments, because we did not contribute substantially to local government's costs.

**Mr. Rogers:** You didn't pay property taxes.

**Mr. Hodde:** We didn't pay a property tax. We were public body, and we were still an entrepreneur-type body. We had earlier put a small tax on distribution, as I recall, but this time Tom Hedges, who was a member of the Tax Commission and myself, both of us having been Grangers for a long time, and been supporters of the P.U.D., we thought that we ought to put something together that we could defend. So, what we did, we computed what the taxes would be if the property were owned, we changed that into a percentage of gross revenue, and we passed it. A lot of people have wondered why, but we passed a bill, put together a bill, and it passed, that put five percent tax on revenue from generating utilities and two percent on those that were just reselling the power that they bought from Bonneville or somewhere else. But where the properties that generated were in the district, they got the tax based upon five percent of that gross. That made some of our counties, where the dams were later built, rich, literally; they just got far more money. Had there been a property tax, the rate would have gone down when the valuation went up, but when this tax was fixed at five percent, Chelan, Douglas, Okanogan, Cowlitz, they prospered very much from that. But, we did get that passed without too much trouble and it did put us in a position where we could say, "Look, you can have a P.U.D. and local government's still going to get its share and it's coming out the rate payer just like it does if it's a privately owned company. It has to be written into the cost, and so it's a fair way to do it." It took away a lot of the argument against the P.U.D.s in relation to tax and so I felt that that was a victory achieved by myself or by my colleagues who were interested in the same things in this particular session, which was dominated by the other party.

I introduced a lot of bills and just a few titles that didn't go anywhere; they never even got reported out of committee and I think you might expect that. But I was kind of amazed, looking back myself, to see that I had one there to establish a greenhouse on the Capitol grounds; well, we got it done later, so we'd have some better plants. We had bills relating to fire protection of forests, relating to taxation of real and personal property, which was supposed to improve the action which you mentioned—I think it was Wallgren that was asking for better action—we didn't get anywhere with it.

**Mr. Rogers:** On the valuation, the valuation was decreed in the Constitution to be fifty percent of true and fair

value, but most of the county assessors were down under twenty-five percent true and fair value, even less than that.

**Mr. Hodde:** What they did, they just didn't keep up with inflation, and one of the problems with that, and I blame Tom Hedges partly for that—Tom Hedges was a tax commissioner in charge of property tax and Tom used the incentive method to get values up. We didn't have a system like we developed many years later, where we'd actually go out and look at the values of property that sold and compare it with assessed values and come up with a ratio. We had a ratio all right, but the way Tom set it, he made a trip a week or two around all the counties and visited assessor's offices and talked with them. If he thought they were doing a good job he raised their ratio a little, a point or two as a benefit to them, and the ones that didn't, he hardly ever cut them, but he just left them there. So, we had an average ratio, according to law, established of about forty-seven percent, when in fact, the honest truth was it was nearer twenty. But, they were taking this position, "The war was just over. These high prices are not going to stay; things are going to come down, and we don't want to get these assessed values up here where we have to cut them later and starve government. We're going to leave them like they are and we're going to be very conservative, and we're talking about"—Tom used to say this—"we're talking about real values, not war inflated values."

**[End of Tape Seven]**

# TAPE EIGHT

---

## [Tape Eight, Side One]

**Mr. Rogers:** This is Jack Rogers with an interview with Charlie Hodde, on May the 23, 1986, about the 1949 session. Having progressed from a youthful lobbyist for the state Grange organization in 1933 historic session, Charles Hodde now finds himself at the beginning of the 1949 session on the threshold of the top leadership position in the state's House of Representatives. In the intervening sixteen years he has been associated with the major issues of the Legislature: education, public power, transportation in the form of roads and bridges, and he is poised to move into a position as one of the true leaders of legislative thought and action. Republican Governor Arthur Langlie, who served from 1940 through 1944, and then lost unexpectedly to Senator Wallgren, had been returned to the chief executive's chair by the election of 1948, in which Langlie reversed the decision of 1944 by defeating Democrat Wallgren. Langlie, thus, became the first Washington governor to return to the executive office and mansion after being defeated. The Democrats had a sixty-seven to thirty-two majority over the Republicans in the state House and they elected as their Speaker, the potato farmer from Colville, Charles Hodde.

**Mr. Hodde:** Jack, the '48 election deserves a little comment, because there were such few Democrats in the Legislature—in the House particularly—only twenty-eight in the 1947 session. Some of the members, between that twenty-eight and the sixty-seven in 1949, were re-elected that had been defeated in the previous election. In other words, they were not all new members, but a lot of them were. Some had been there quite a while before, like Bernard Gallager in Spokane was in the '41 session, then didn't come back again until '49. So, it was really quite a turnover.

You might be interested: in those days election returns were handled pretty good by radio, not so much by T.V.; there were still a lot of people that didn't have T.V. in their homes. I sat up, like every other politician running for office, until midnight. By midnight, I counted up that we had a majority of Democrats in the House and I remember telling my wife, Helen, "By golly, I'm going to start campaigning for Speaker right now. I'm not going to wait till morning." And I stayed on the phone until after four o'clock in the morning and I found damn near every Democrat I called was still up listening to returns. By four o'clock in the morning, I felt like I

had gained enough support to be sure of getting elected Speaker. Now of course, there was some campaigning that went on after that, but I never forgot that I just got so enthused about the way the Democrats were winning it, I jumped right on the telephone, ran up quite a telephone bill, but at night it's cheap, so in effect, I thought I really had it pretty well tied down.

**Mr. Rogers:** Right on Election Day and the day after.

**Mr. Hodde:** Yes, sir. Now, another thing of interest there, I've made the comment in talking about Speakers of the House, that they never get elected to any other office, not if they run right after they've been Speaker, anyhow. There's probably one exception that Swayze was Speaker, but he was elected judge—but sometime afterwards, not because he was Speaker. Well, Herb Hamblin ran against Vic Meyers and he almost upset that tradition. He came so close to beating Vic, closest election, I think, until he did get beat once. Anyhow, Herb was only behind, as I remember, something like 1,400 votes, but anyhow, he did lose out and Herb never got back into politics. Another very close election was Jack Taylor running against Otto Case and that was even brought before the Legislature as a disputed election. The Legislature decided to go along with Jack as the winner, not Otto Case who had been there quite a while. So, it was an extremely interesting election.

One of my best supporters, I think I might have mentioned, was A.L. Callow of Grays Harbor County. He was the father of Judge Callow, who I believe is still judge. He helped me a lot, because he represented the conservative side of the Democrats in the House. He's the one who nominated me for floor leader in the caucus when there were only twenty-eight of us. I gave him a lot of credit. Some of the other good supporters who really worked to get this thing put together were Bob Ford, and Slim Rasmussen, and Julia Butler Hansen, and Bernard Gallagher of Spokane, and Bill Carty down in Vancouver. I had quite a little group there that really went to work real hard.

**Mr. Rogers:** And they were all long ball hitters in the Legislature.

**Mr. Hodde:** They really were, they were not come-latelys or anything like that.

**Mr. Rogers:** Able people.

**Mr. Hodde:** During that campaign, another thing I think needs some mention is that our Democratic State Convention was held in Spokane, before the election. One of the biggest issues was whether we would endorse Truman to run for President. There were a lot of Democrats that didn't think Truman could win. He was a very abrasive sort of guy and all that, and from Missouri. Maybe being from Missouri didn't hurt him with me, because I came from Missouri, too. Anyhow, Ed Reilly, not the one in Seattle, but the one that had been Speaker several times, was the chairman of the Platform Committee and I was on the committee. We kept them working

on everything else until four o'clock in the morning until we had enough votes to endorse Truman. So, then we endorsed Truman and came out of that that way. I just mentioned that to say that you kept very busy during a campaign ahead of time if you wanted to get ahead in politics. You didn't just stay in your own district.

**Mr. Rogers:** That was the year that Truman defeated Dewey, unexpectedly.

**Mr. Hodde:** Very unexpectedly. Dewey was already celebrating.

Incidentally, we should mention, I believe you did, that Initiative 172 was one of the big issues on the ballot and Initiative 172 was passed. That did give quite a substantial increase—it doesn't sound big now—but it did increase the amount that would have to be put out for pensions. Probably just as much as that was the inflation that you mentioned, that I've talked about, is that it's very hard for us to contemplate how much inflation was occurring at that time. We'd been under a freeze all during the war against raising wages, or prices, or anything. There was just a pent-up demand there that fooled a lot of people. I know that in the field that I was quite interested in—the tax field, the Tax Commission at that time—Tom Hedges had charge of the property tax. They knew that property was selling for more than it was being appraised at for tax purposes; it was supposed to be assessed at fifty percent. It wasn't near that, but I remember talking to Tom and he said, "We can't afford to let it (assessments) go up. This is temporary; it's got to be temporary. This will never stick."

**Mr. Rogers:** "These values will never remain."

**Mr. Hodde:** They just couldn't stay; they're just far out of reason. Well, Tom got his background from going broke during the Depression; had he not gotten an appointment on the Tax Commission in 1933 from Martin, he would have lost his farm at Waterville. But, that little salary—he got \$4,000 a year—the mortgage company let him keep it, and he eventually got the thing paid for. He stayed about seventeen years, as I remember, on the Tax Commission, but he never got over the fact that these are fictitious values and we just cannot tax them.

**Mr. Rogers:** Charlie, you have mentioned Initiative 172 and I want to give some emphasis to the profound effect that the passage of that initiative by the people had; it particularly had a profound effect on the new governor. Governor Langlie was very fearful that it was going to bankrupt the state. Here's some of the things that were done under that initiative. It set into law, first of all, that there would be a minimum sixty-dollar monthly pension for needy senior citizens and the needy blind. It also appropriated the sum of six and a half million dollars to pay for some of these things. It prohibited liens on property; that was—the effort there—was to have the relatives take care of a person, or if a relative couldn't, and the state took care of this person, then the state could take a lien on the property for the amount of the grants paid to the needy person. Not only did it deal with the needy senior citizens, it provided for funeral expenses for recipients—a hundred dollars for funeral

expenses—this was new, and additional care such as medical or dental or that sort of thing for recipients and the recipient could choose the care. These were all kind of revolutionary ideas that the people had written into the law through initiative. Nursing and hospital care was provided for, and medical supplies, including such things as glasses, and hearing aids, and pharmaceutical supplies. These could be paid for by the state. It also provided for aid to dependent children, which was a federal program, but helping in that federal program, and it provided for general assistance to the unemployed citizens. It set a maximum one-year residency requirement, but for general assistance, they didn't have to live here a year to get it. So, a lot of the political thought of that day was that this is a very dangerous thing that was coming into being.

**Mr. Hodde:** Jack; let's admit this that it was a really radical step to get into all those things at once.

**Mr. Rogers:** It doesn't seem so now.

**Mr. Hodde:** I made a comment at that time it was bound to come, but maybe it wouldn't need to have come quite so fast. It was contributing to our problem, but it was not the only problem we had. All these other things were also contributing.

One thing that I forgot to mention about the election of the Speaker, there'd never been a Speaker from a little cowtown. Well, that isn't quite true, we had one from down in Garfield County way back in the twenties, but when I went to Olympia for the caucus when we officially made the decision, on the bus, or on the railroad actually, but when I took the bus from Spokane back to Colville, you never saw a more astonished little kid than I was when the bus was met by a band and a convertible. The citizens there loaded me on this convertible with my wife and my daughter, Dorothy was playing in the high school band and she marched along front. John rode with us, and I got a parade clear through Colville, a hometown hero.

**Mr. Rogers:** That was how they treated the heroes in New York, but not in Colville?

**Mr. Hodde:** Not in Colville, no. And I often thought we had one other party who had held a high position in that town; it was Judge W. Lon Johnson who was Lieutenant Governor in the twenties. He didn't come to the parade and I kind of got the feeling that he thought that he never got one. Generally, Johnson and I got along pretty good, but he was one of those judges who hardly ever heard any case in his own district that had any controversy in particular to it. He had the reputation of having fewer actual days on the bench than any other judge in the state. Nobody ever wanted him to come to their county and he was always calling the other judges anytime any of his friends were in court or something. But, he stuck on there quite a while.

**Mr. Rogers:** Interesting also about the '49 session and what it was confronted with, there'd been another initiative passed in the '48 election, Initiative 169, providing for a veteran's bonus. It was declared

unconstitutional during the '49 session on February 4, 1949, by the State Supreme Court. The returned veterans had been promised a bonus in the initiative, the initiative passed, and the court had struck it down.

**Mr. Hodde:** Well, Jack, we did pass a bonus during that time and eventually we financed it with a tax on cigarettes, which the court at that time held that you could do, because it was a special tax, not out of general revenues. They later—fifteen or twenty years later—they reversed that decision. But, the big problem was around the fact that the Constitution said that you could only go in debt for \$400,000, no more than that. The court softened on that, also in relation to Langlie's problem with running a deficit, in which they said that, actually, if the deficit were handled like he was handling it, by issuing warrants and paying them when they got the money, that that didn't violate the \$400,000 thing. So, actually the Constitution, written in 1889 with the \$400,000 provision, was so out of date that something had to be done. Of course, without going into any detail, there have been a great many changes made in the way we handle our debt since that time. But, that was a big issue in the '49 session was how we'd do that. I have a feeling that maybe the court might have been influenced a little bit the second time around in supporting the bond-issue method of paying with the percentage of the cigarette tax, by the fact that the veterans were feeling like they weren't being appreciated very much.

Another constitutional amendment that had some effect in certain parts of the state was one that would, in effect, repeal the anti-alien land section of our Constitution.

**Mr. Rogers:** Up to that time aliens could not own land.

**Mr. Hodde:** Could not own land, yes. In periods since that time, there have been some times when you kind of wondered if that was true, whether it was a good idea, but you can imagine the problems that would come in today's business organization if any company with stock ownership in Japan couldn't buy property in the state of Washington; our industry would be in a bad way. So, maybe it was farsighted to get rid of that provision at that time.

**Mr. Rogers:** And I remember that it was passed quite handily by the voters. I know the Japanese residents of Bainbridge Island, those who are aliens, were strongly in support of it and they'd been around on Bainbridge Island for a long time, but they couldn't own property in their own name.

**Mr. Hodde:** Another little personal incident—I like to throw these in, because they don't always even get in the papers—during the '47 session, Perry Woodall had been the floor leader and he had been extremely hard on the Democrats, considering how small the minority was in there. Herb Hamblin tried to treat them fair; he would recognize them and immediately Perry would jump up and raise the question of consideration. They'd vote not to consider the amendment that was being offered by the Democrat . . .

**Mr. Rogers:** So, they wouldn't even take it up.

**Mr. Hodde:** They wouldn't even take it up to talk about it. So, one of the things that the Speaker had to do when they started out, there was practically a solid group of everybody who'd served in the '47 session came to the Speaker's office and said, "Perry sits in the back seat." And Perry did; he sat in the back seat right by the water fountain in the '49 session. It was really hardly justified, but it was just one of those things that they could not forget.

**Mr. Rogers:** Perry Woodall was an attorney from Yakima County over in the Toppenish area. He had a very incisive wit and a manner of speaking that sometimes got on the nerves of the opponents of Perry Woodall, but he was a very incisive legislator.

**Mr. Hodde:** He wasn't ineffective at all, but he played it rough, and they couldn't forgive him for that.

Some of the other big issues that were in that session, very difficult for the Speaker to handle, one of them was the so-called Canwell Committee. It was really a state little-McCarthy committee, if you recall back to that period of time . . .

**Mr. Rogers:** Un-American Activities Committee, like the Congress had.

**Mr. Hodde:** Right, we called it the Un-American Activities Committee. It was authorized in '47, and without getting into any detail, some of their findings were later overturned. I know that a *Seattle Times* reporter got a Pulitzer Prize for having, after two or three years work, having vindicated one of the U.W. professors that they'd called a communist and tried to put a case together on.

**Mr. Rogers:** That was Ed Guthman, who later became a very nationally known journalist.

**Mr. Hodde:** He was Bobby Kennedy's chief assistant and later he became the editor of one of the Los Angeles papers.

**Mr. Rogers:** I visited Ed Guthman in Bobby Kennedy's office and I remember very well.

**Mr. Hodde:** He used to tell me one of the worst things about working for Bobby Kennedy was Bobby Kennedy expected you to run that two or three miles with him every morning, too. Did part of your work on your feet running around the block or whatever.

Going back to the Canwell Committee first, before we get out of that. We decided in the Democratic caucus that we should continue the committee. We should draft the bill that authorized it in the manner that would assure that they did not do unfair things. That counsel would be allowed for witnesses, and witnesses would be given the access to the information they were being charged, showed their leanings, things of that type. It was really a hard political decision for the Democrats; they wanted to get rid of it. Maybe I shouldn't go too far into

depth on it, but I want to say this much about it, that it passed the House, it passed the Senate a little different; it came back for concurrence, quite a bit different in fact. The Senate was much less soft in the language of the bill; it was pretty tough. It got into a Conference Committee and finally a Free Conference Committee. Well, one of the people that I had had working on this was Web Hallauer—these people are still around, so I hope they remember the same way I did. Web was a new member, but he was an extremely—I think today still is—a very conscientious person. While he had worked to help put the bill together, when it came up to vote, he decided he couldn't vote for it. That caused me some problems. I said, "Man you helped write it and then you won't vote for it?" I finally decided that it would be better if we didn't have a committee and the only way to do it without having everybody on the spot—because nobody wanted to vote against this committee—it just died in the Free Conference Committee. The fact that Julia Butler Hansen was part of the committee, it really never caused anybody any problem really, but it actually was killed that way, got the thing clear out of our picture. One of the things I did during that session was I sent the Sergeant of Arms, along with the State Patrol, up to Seattle to pick up all the records from the Canwell Committee office, which they had never turned in to the Legislature.

**Mr. Rogers:** That was one of the criticisms that they hadn't turned in their report.

**Mr. Hodde:** Yes, they never gave us the background or papers or nothing. Then we brought them down to Olympia and I had already arranged for a safety deposit box with the keys to one of the little rooms on the fourth floor and those files were all shoved in there and they were locked up and the keys put in the safety box and they stayed there for, I think, ten years before the Legislature finally decided they'd open them up. It was long enough now that they could do that, and when they opened them up, they found out that we didn't really get anything of any significance; we could have opened them up immediately. Apparently, Canwell had stored the critical records that presumed to show un-American activities in his own home or somewhere else. He stayed in the news for some time, but he never did get elected back to the Legislature, or does anything further in that way.

One thing that we had a big celebration about and I talk about it because it represents the times, James J. O'Sullivan had been the chief lobbyist for the Columbia Basin Irrigation Project all through the thirties and forties and he died during the '49 session or just before. So, we put on a big memorial in the Legislature for O'Sullivan. Of course later, O'Sullivan Dam was named after him and so he was given a lot of credit for work to develop the Columbia Basin Project.

The other thing that I think I want to talk a bit about is financing the school construction. During the '47

session I had tried to get the Legislature to set aside somewhere in the neighborhood of one hundred and twenty million dollars for capital construction purposes. We had a surplus at that time—it seems funny when you talk about it—that we could have had that much surplus in '47, and then come back in '49 flat broke. A lot of people blamed it on Initiative 172, but there were many other contributing factors. At least, had we done that, we undoubtedly would have had to raise a lot of money anyhow, because we would not have had enough to run, but at least that was my program. So, then I decided that as long as we couldn't pay cash and we'd used up that money, that we ought to issue a hundred million dollars in state bonds that would be used to finance construction in public schools, state institutions, and the universities and colleges. That's the first time I ever say my name in red headlines clear across *The Seattle Times*, because that was kind of a shock. Today it doesn't sound like much of a deal, but keep in mind that the state had not issued any bonds, even the soldier bonus bonds hadn't been issued yet at that time, since about the 1920s. During that time (the 1920s) they'd issued some bonds to build things like the Aurora Avenue bridge and some highways over in Walla Walla County, and all of them were paid for by assessments against the property owners it adjoined. It created an extremely difficult situation during the Depression, because values went down and confiscation was it. Actually, there was no way they could collect enough money off the property; it would have taken all the property along Aurora Avenue to have paid for the street. So, we pushed this bond issue, and it shows up through the session. Langlie opposed it; he wanted to raise taxes, and he particularly pushed hard for a two percent corporate income tax.

**Mr. Hodde:** Yes, flat two percent tax. It was a flat tax on everybody, but that would raise quite a bit of money. Even though I'd been an income tax supporter for all my public life, I saw no way that we really would be able to write anything that would be what I'd consider fair and would get by the Supreme Court. There was a feeling at that time that maybe a two percent rate, because that was the same as fifty percent times forty mills, might stand up in court. But also, there was a lot of opposition just to have any income tax. So, I said that even if we had to raise taxes, forty or fifty million was all we could afford to saddle on the people and the rest of it should be done with bonds. I was, of course, attacked, like you hear the same stories today that if you vote bonds, then you have to pay all that interest. My standard answer to that was that I'd rather the state paid it, because they get cheaper money that I can borrow, and if I have to borrow the money to pay the taxes now, I'll be paying off the debt, and my interest rates will be substantially fifty percent higher than it would if you collect them in taxes. Basically, we're going to use these buildings for more than twenty years and so why shouldn't we pay for them over a twenty-year period?

**Mr. Rogers:** And at the time the state had virtually no bonded debt.

**Mr. Hodde:** There was no bonded debt except, I don't remember if we paid off that two million or something we borrowed for welfare relief back in '33; it would have been the only thing. But, we were practically out of debt as far as the state was concerned.

Well, this thing kicked around quite a while and I took the floor a number of times to defend it and put together a package. It was eventually adopted and of course, worked out very well. The thing that's interesting about that is that I have a letter that I found in my files from Preston Thorgrimson, and whatever the name of it is. . . the bond counsel in Seattle, and they advised me that they really thought I ought to raise the interest allowed in the legislation. The bill, as prepared, said the bonds could not be sold at more than two and a half percent interest and they thought it ought to go up to three, and I think we did raise it to three so that they'd be sure to be able to market them.

**Mr. Rogers:** That was the cheap money that you were talking about.

**Mr. Hodde:** Yes, that's what I say, no farmer could borrow money for that or anything like that, so I said you couldn't do it at a better, because values, not only did interest go up, but also costs of building went up substantially and had to be delayed several years. A little bit more about that though; we tried to put it on a special election and were advised also that that probably would not stand up, so they had to wait until the next general election, 1950, before they were authorized.

**Mr. Rogers:** Well, the purpose of this school construction bond was to expand and replace outworn buildings all over the state, wasn't it? We had kind of a run-down educational plant.

**Mr. Hodde:** Not only that, we had areas, particularly here on the coast, that was growing so fast it was just unbelievable. I got a letter from a gentleman, from one of the small towns around King County, and he showed me over a period from 1941 to 1949 how his school population had grown from like two hundred to almost a thousand. There was no way they could supply that, and my file is full of letters from schools saying, "We've got to do something. There is no way we can continue like this." So, we set up a grant system that was tied into how much they could raise for the levy on their property. In other words, the poorer the district was, the bigger percentage we paid and that's been expanded on since, so that I can't remember the exact percentage at that time, but in some school districts they'd get as much as ninety percent. I think many of them got a least twenty-five, but the average is closer to fifty percent paid by the state. It seemed like the proper thing to do at that time, and we got that done so that it turned out to be, I think, a good program.

**Mr. Rogers:** Something else that went into effect at that time was Initiative 171. That was an initiative passed by the people in the '48 election to permit the sale of intoxicating liquor by the drink. This was a new era in the bars.

**Mr. Hodde:** That bill actually, I think, contributed to Wallgren's defeat, because while it carried, Wallgren was the only one in the campaign who supported it; Langlie did not—I mean of a prominent figure. Even though he supported it and it got a majority, the difference is the people who didn't want liquor available, it was a top priority with them; they said, "I'd never vote for that drunk that wants to put liquor out where every kid can get it." On the other hand, on other issues they might have agreed with Wallgren better than Langlie, but they voted for Langlie. Langlie got beat by the liquor issue in 1944, in my opinion. I think I mentioned when we talked before, in the election when Wallgren beat him, because he had, during the war, bought a couple of Tennessee distilleries (to get a liquor supply for the state store). They held that against him, because he was a well-known "dry" and had never served liquor in the mansion and all that, and they couldn't see him doing that; they blamed him for that. Now, they turn around and the same group, they clobber Wallgren. At least when the election's close enough that a little thing like that could have made quite a difference.

**Mr. Rogers:** There were some important things in that initiative. Not only did it extend the service of liquor to restaurants, hotels, and clubs, and certain places on trains, and on boats and airplanes, and qualified tourist establishments, they could serve liquor by the drink, but it also limited the number of licenses that the state could issue, one license to every 1,500 population. It set up a class H license, which gave a fifteen percent discount on liquor purchases to those restaurants, and so on. And the other thing, which was rather revolutionary at the time, was a nine-year term for members of the Liquor Board; they started phasing that in with a three-year, and a six-year, and a nine-year term. That seemed to be a very long time, but they wanted to put the members of the Liquor Board beyond the reaches of the elections and the changing governors.

**Mr. Hodde:** About all I would comment about that liquor initiative and the whole liquor question is, that I was as well known a Dry, as Langlie was. I never drank liquor; I never served liquor at any of my campaign parties or anything like that, and so I was just a little bit pleased that they did it by initiative, and I didn't have to even take a position or argue about it or nothing. It was all done, Jack. It wasn't really a problem during the '49 session where it could have been a real problem.

**[Tape Eight, Side Two]**

**Mr. Hodde:** The other thing that took up a lot of my attention, both before and during the session, we had a continuing battle on public power. Public power was expanding. You have to realize most of the dams on the Columbia River were built about this time, or later; they were really just becoming a big factor. The private power companies were having a bad time financially. Puget Sound Power and Light's President was dickering with the P.U.D.s on the coast to sell the Puget Sound Power and Light to the P.U.D.s jointly, and then they

would divide up the territory with the cities. They weren't in cities too much, of course—they used to serve Seattle—but to put it all under public power. At the same time, Washington Water Power, a few years earlier had sold out to American Power and Light and nobody raised any objection about that, I used to point out. But the eastern Washington P.U.D.s decided that they would try to buy Washington Water Power out, and then they'd have all of that side. The only thing left, then, would be Pacific Power and Light down in the southwest part of the state; everything else would be under public power. Just happens that American Power and Light wanted to sell, just like Puget wanted to sell. But, of course, we ran into most of our opposition out of Spokane, which said, "We don't want the P.U.D.s to own the city of Spokane's electricity." So, during this session we amended the proposal to give Spokane a chance to buy that part of it that was in Spokane. Also, the P.U.D.s—practically every one of them—passed resolutions and sent them to me, that they agreed that they would not operate outside their own counties if another public power agency was willing to take it on in those areas. In other words, they were encouraging places like Thurston, Pierce, King, and rural areas that didn't have P.U.D.s in business, to get in business; they'd sell them their part of it. This passed the House rather amazingly, by like eighty-two, eighty-four votes on several runs, actually passed the Senate and got through the Legislature. Then, we ran into two problems. One county, Kitsap County, refused to go along with the deal in Puget Sound area and that came apart. The other thing that caused it to fall apart was that Puget suddenly started making money; times just got better all at once and things looked better, and Puget was making money, and they didn't want to sell out for the—whatever it was—twenty-seven dollars a share or something. It was overstating the market quite a bit at the time it was offered. The Washington Water Power deal would have gone through, except it was taken to court, and the court said that the P.U.D.s could not buy the properties of Washington Water Power that are in Idaho. They had some very important generation and other properties in Idaho that were somewhat essential to try to keep them actually operating, so that fell by the wayside, also. I've often thought that had it not been for those two little problems with Kitsap County on the coast and (the court cases) . . . it'd practically been all public power. But, it did take a lot of time and there was a lot of controversy during the session on that.

**Mr. Rogers:** This is Jack Rogers interviewing Charlie Hodde on May 31<sup>st</sup>, 1986. Increasing education and public welfare costs had eroded the two-hundred million dollar treasury surplus; that the re-elected Governor Langlie and the 1949 Legislature encountered at its outset. Real and projected deficits began to appear where wartime surpluses existed before. The effects of Initiative 172 materially increased the amounts paid out by the state for welfare aid to the needy elderly and others in need of public help. Governor Langlie pushed his flat income tax ideas in the 1949 session without success. Speaker Hodde favored an eight million dollar bond

issue to catch up on deferred capital construction. The 1949 session ended in March after ten days of overtime frustration and the legislators adjourned and went home with the state budget seventy-five million dollars out of balance. The state of Washington and its capitol city of Olympia were rocked, literally, on April 13, 1949, when the most devastating earthquake in Puget Sound history struck just before noon. The dome of the Legislative Building shifted on its base and the stone observation lantern teetered above the building housing the governor's office and the legislative chambers. The huge chandelier in the rotunda swung like a giant pendulum. There was damage from falling building bricks and masonry ornaments and several persons were killed in the Puget Sound country by the falling debris. With that background, Charlie, we moved into the 1950 special session and the '51 regular session and we'll take up this major financial problem that existed at that time.

**Mr. Hodde:** Okay, actually the '50 session was called in July of 1950 because the governor had decided he needed about twenty-two million dollars additional appropriation to meet the absolute needs of the state. We had the Legislative Council at that time and I was chairman of it and one of the active members, the leading Republican member on there, was Kim Comfort from Tacoma. Kim and I got together, and I think we had Rosellini and several others in on the discussion before we completed, and we decided that we would just have a short session and just give the governor about fifteen million and go home. Actually, what it worked out was we did just have a four-day session and took up very little, a few bills, besides the appropriation. We gave the governor; it ended up, sixteen million and a few hundred thousand and said, "That's it." So, we went home and then, of course, that was followed by the 1950 election which put a few more things into perspective: the adoption of one initiative and the defeat of another; which put the welfare program a little better in hand.

**Mr. Rogers:** And that session occurred just about the time of the Korean War. I remember that there was passed a measure to permit the soldiers overseas to vote as well.

**Mr. Hodde:** Yes, I believe there was such a deal as that. It's kind of foggy in my mind right now, but then I think that was done at that '50 special session, that to which you're referring. That was one of the other smaller bills that were taken up.

In 1951, say the 1950 election first, the 1950 election resulted in a substantial change in the House membership between the parties. Where we'd had sixty-seven Democrats in the '49 session we ended up with only, believe it was fifty-three, and one of those voted at least twice as often with the Republicans as with the Democrats.

**Mr. Rogers:** The tenuous majority then.

**Mr. Hodde:** Yes, it was close. We really only had fifty-two Democrats you could count on. You know, there's

always going to be one or two, here or there, that have some special reason that they may not be able to go along on a certain proposal. The one that was too conservative to get along with us mostly, actually, came to all our caucuses and we did—maybe you're familiar with the term in the treatment of tuberculosis where they say they calcify the injury in your lung; they have a system doing that. Well, we calcified this guy; we gave him little opportunity in the caucus to say anything, but he could listen and go out and tell what we did to whoever wanted to know.

**Mr. Rogers:** He was walled off as a damage control measure?

**Mr. Hodde:** That's right, he was walled off. We kind of laughed about that. But, we didn't have caucuses near so often as now, because at that time we didn't have the Open Meeting Law, and committee meetings were executive session and people talked very freely. I think that one of the damages that has occurred from the Open Meeting Law is that they forced so much of the legislative decision making into the caucuses rather than the committees that are really set up to handle them, because there the people can talk without being quoted in the press and they're not so fearful of exposing their ignorance or having themselves attacked on a misunderstood statement. Anyhow, it was an interesting session and I think some great work done during that session, some rather substantial changes.

**Mr. Rogers:** You mean the '51 session?

**Mr. Hodde:** The '51 session, yes.

**Mr. Rogers:** Before we get the '51 session, I think we should mention the election of 1950, just preceding the '51 session when Initiative 176, which was the old age pensioners' so-called "Freedom from Want Act" of 1950. That was rejected by the voters.

**Mr. Hodde:** Yes, that was sponsored by a gentleman named Pennock, who had been a member of the Legislature earlier, and quite a liberal. In fact, the Canwell Committee virtually said, "This is one of our communists," and that, of course, is one of the problems that they created by being a little bit too frank or open in their discussion of their opinions. But, anyhow, he mounted this campaign to have a more liberal welfare system than even was established by the Initiative 172 in the 1948 election. However, the more conservative, you understand, mounted another one, Initiative 178, and both of them were on the ballot. 176 failed—the Pennock measure failed—and 178 passed.

**Mr. Rogers:** It passed by a substantial majority and also at that election the bond issue that you had proposed for state institutions passed in the amount of twenty million dollars, I believe. But, the improvements of the state buildings at the institutions of higher learning, that portion was defeated.

**Mr. Hodde:** Yes, the forty million for public schools passed and the twenty million for institutions, but the universities and colleges lost theirs. We might mention though, that in the '51 session, after that loss, the Legislature did appropriate money and authorize the construction of the University of Washington Hospital, which was kind of a landmark deal there, too. They had a medical school, but they didn't have the facilities they needed to really have a good one, so that was one of the bills that got through the '51 session.

**Mr. Rogers:** Weren't you elected unanimously as Speaker in the 1950 special session?

**Mr. Hodde:** In '50 it was kind of unusual, because there'd generally always been at least a nominal fight even though you were in a minority, but this time—and I give Kim Comfort credit for a lot of that, he said, "Why do we want to have a partisan fight out of this? We already know what we're going to do. We've agreed on that, we've worked through the Legislative Council, we came up with a recommendation to the Legislature." So, when it came to voting time, why even Perry Woodall voted for Hodde and Hodde just abstained.

**Mr. Rogers:** Well, the governor, Mr. Langlie, proposed a bond issue to pay off the state debt in 1951 and he proposed the Corporate Franchise Tax, that would raise thirty or forty million dollars, and then he submitted three different budgets to the Legislature, as I recall. So, we had a kind of confusion of fiscal affairs right at the outset there.

**Mr. Hodde:** Very much so, and because he offered so many alternatives, none of them were really taken seriously and in the House at least, we just went to work on our own. Some of the comments from the press about Hodde's activities and leadership in the House were pretty favorable; once in a while you'd get one that wasn't quite that good, but at least we put out a number and I was invited and made a number of radio talks about the various problems. Particularly the budget and the school financing, that got it out in the public. So, I think that in the House, with the small majority we had, that we were able to put together a program that was reasonably well accepted by the press and the public. And we found ourselves, before the session was over, working rather more closely with Langlie than he was working with his Republican majority in the Senate. Well, it really was a coalition majority in the Senate, I believe, that had control there. But I remember replying to one caustic letter that I received from one of the press about the lack of cooperation with Governor Langlie and so on, I suggested that they talk to Langlie and find out who he thought was cooperating the better, the Republicans, or the House Speaker. Actually, we got along reasonably well, we couldn't agree on a lot of things, but then personally we got along quite well.

**Mr. Rogers:** I recall that the House passed a tax bill that Langlie had suggested, but not one Republican in the House voted for it.

**Mr. Hodde:** That's right, that was one of the things I had pointed out was that, actually, when he decided this was necessary in order to get an appropriation bill out and he wanted a four percent Corporate Franchise Tax, which is, in effect, a net income tax, we said, "All right, we'll give it to you." So, we passed with totally Democratic votes—not a single Republican vote in the House—and sent it over to the Senate.

**Mr. Rogers:** The Senate passed a bunch of nuisance taxes, raised liquor taxes and thought that was the solution.

**Mr. Hodde:** Going into some of the other things, Jack, that I think there were a lot of things that had long-term significance that went through the '51 session. Some of them had been sort of pets of mine: some revision in the way we financed schools was one of them, in which we increased the schools' local levy ability and then increased some of the state appropriation, raised the equalization level to thirty cents a student, which had started out in 1937, or was it 1935, I guess.

**Mr. Rogers:** Sixteen cents.

**Mr. Hodde:** No, '37, at sixteen cents, so here by this time we'd doubled it. Of course, it had gone up a lot since that, but there were things like that. A trend of the times that I think was beginning to show then, in that and just a couple preceding sessions, was the public's interest in things that had normally been considered just the private owner's business. One that I want to point out here was that we passed a law that required loggers to fell dead tree snags where they logged, which were considered fire hazards; they attract lightening fires. Now, that was viewed then as a distinct intrusion into private property affairs. You tell a fellow that if he cuts the green trees down, he's got to fall the dead snags. Just like in just a session or so, previously we had passed a law that said that if you harvest timber, you either have to replant it or you have to leave four seed trees to the acre. I know some of the people in my county were extremely upset with the idea that they had to leave four trees to the acre, because some of that yellow pine country, there weren't very many more than four trees to the acre. So, that just looked like taking property without due compensation to them.

**Mr. Rogers:** But, these things were truly in the public interest, to prevent the forest fires.

**Mr. Hodde:** Yes, I'm just pointing out that it was a trend that was beginning to be recognized that certain things, even on private property, have to be done in the public interest.

**Mr. Rogers:** The whole ecology movement reflects that.

**Mr. Hodde:** Just really getting into that at that time. We did several things that still show around there: we authorized the construction of the General Administration Building. And the thing that was kind of funny about that, that building has often been commented about that it really doesn't have any character, it's just a

big box. “Why didn’t they design something that fit into the campus style?” Recognizing that it wouldn’t fit in the campus, it was built off-campus, actually it is not on what was part of the Capitol Campus, and the reason it looks like it does is it that the Legislature specified that it had to have exactly so many square feet of office space in it; it couldn’t be higher than so-high, nor bigger than so-big, and when you got down to figure it out to get that square foot in there, they had to make a box out of it. That had been commented about, that the Legislature really overstepped their bounds when they tried to become the architects, which is, in effect, what they were trying to do.

**Mr. Rogers:** Legislative architects, yes, but building architects, no.

**Mr. Hodde:** That’s right. I always thought that was an interesting thing that developed there then. A few other things that happened there, that we should remember, is that the Legislative Budget Committee was established at that session. The Legislative Budget Committee was the Legislature’s first—well, the Legislative Council was somewhat of a move into the interim studies of the needs—but the Legislative Budget Committee was much more specific. It was sort of an ongoing review of what’s going on with the budget all the time.

**Mr. Rogers:** That committee hired a legislative budget auditor to take year-round full time control over what was going on.

**Mr. Hodde:** They couldn’t really take control, but they could do this: they could monitor it all the time and if they weren’t going the way they thought the Legislature meant, they’d tell the legislators, whereas it still was part of what we now call the budget system—in other words, O.F. M. (Office of Financial Management). But, this gave the Legislature’s first continuing review by an expert of what’s going on with the money they appropriated. I think that was an important move there.

**Mr. Rogers:** I remember a Dr. James, from North Carolina, and was hired as the first legislative auditor. He’s long since disappeared from the Washington scene, but he was the first man to head that directorship in that committee.

**Mr. Hodde:** We tried to help the Legislative Council though, by providing that they could get fifteen dollars a day for their time away from home, plus eight cents a mile for coming to meetings, and of course, the way money is spent around the Legislature now, it’s hard to conceive that these were really of any real significance. But, you know, it’d only been a very short time since legislators got nothing except during session. Otherwise. .

**Mr. Rogers:** Five dollars a day for sixty days.

**Mr. Hodde:** And travel one round-trip per session and that’s it.

**Mr. Rogers:** From home to the Capitol.

**Mr. Hodde:** So, that any breakthroughs like this, which was accepted then, was really expanding the Legislature's ability. . .

**Mr. Rogers:** Modernizing the Legislature a bit.

**Mr. Hodde:** One other thing that I want to comment on that occurred then that had long-range significance—it actually started in '49, we had had *Pierce's Annotated Code* and *Remington's Revised Statutes*. These were private publications, compilations of state law, which we were dependent on, entirely. Some of us decided in the forties that the state ought to publish its own laws; it ought to be its own responsibility and not allow it to be done by private parties. Well, that don't sound very socialistic, but apparently it did to some of the lawyers in the firms that had been printing the books, but in the '49 session, we had authorized a committee to start this work of compiling these laws. The first bill that was put in—there was a bill put in to extend this committee, because they were doing a very good job, we thought, but they wanted to do some more work—Langlie vetoed it. So instead of trying to override his veto in the '51 session, we just went ahead and adopted the R.C.W. (Revised Code of Washington) in the status it was, set up the Statute Law Committee, which still operates. They put the revised code into operation as of July of '51, I believe, so that we did get the R.C.W.s, and of course, that's it now; the Revised Code of Washington is the compilation of the laws.

**Mr. Rogers:** And I recall that there was some very careful work done on that revision of the code and that today and in succeeding years, it fell under no criticism that was ever expressed in a major way, and the code has worked out beautifully.

**Mr. Hodde:** I think it was a very fine step. Had we not got it done at that time, we might still be under the other system. A few little things that occurred that are historic, I'd like to reminisce about them. Ever since the sales tax was first passed in '35, we'd had tax tokens. One of the tax commissioners, Tom Hedges—who was an old farmer, good friend of mine—had insisted on the tokens, because he did not want people that were, say, buying something for ten or fifteen cents to have to pay a whole penny tax, which would be far in excess of the two percent that it started out with. So, we had tokens that were worth a fifth of a cent and these little aluminum tokens at a fifth of a cent apiece. You know, Jack, maybe I shouldn't admit this, but I used to do a little horseback riding at the fair. We had what we'd call horse races—they weren't horse races; they were just farm horses and the Grange operated the fair and so we had races and it would be some of us old farmer kids that were riding them. I decorated my saddle and my bridle and my reins with tax tokens, just from one end to the other—nice shiny aluminum tokens. They made them by bushels, really, because people paid little attention.

**Mr. Rogers:** There was a hole in the middle of them and many people strung them on strings and had all kinds of uses.

**Mr. Hodde:** Oh yes, and they were very easy to mount on your bridle, you know, just a little rivet. But, we got rid of the tax tokens, because with the sales tax at that time, I don't remember, it was three percent or about that, we decided that they were too much of a nuisance and that the taxes could be collected without them.

Another, rather landmark thing which is under attack right now—well, maybe not completely under attack—but the way it operates is we set up the law under which the present State Highway Commission operates in 1951, with the commissioners appointed, and then them selecting the director, and pretty much having charge of the highway work in the state. At that time we'd had a similar sort of a situation since '33, but this gave them more authority and recognized that our highway problems were much bigger than the old days. So they, at that time, didn't take over quite as much as they have now. At that time, we had a Toll Bridge Authority that operated the toll bridges and the ferries, which were actually purchased at about that time, but now, of course, the Highway Commission has taken over that operation, as well. I think they probably wish they hadn't.

**Mr. Rogers:** The idea of the State Highway Commission, as it was publicized in those days, was to stop the pork barreling of highway and bridge appropriations by the Legislature, to take politics out of the action. I don't know whether it really removed politics. The existing governor in any period made the appointments and they were confirmed by the Senate and it seems to have changed some things and apparently had worked out quite well.

**Mr. Hodde:** It sure makes a difference whether you're governor or not. I haven't looked it up, but I suspect that if you looked at the record, you'd find that Albert Rosellini voted for the Highway Commission Bill, but he would have liked to have gotten rid of the part about appointing a director.

**Mr. Rogers:** And now as we talk, he is a member of the Highway Commission.

**Mr. Hodde:** Yes, and I don't know which side he's on.

**Mr. Rogers:** He's been on all sides of that.

**Mr. Hodde:** Anyhow, that was an issue of some importance at that time. The comment about log-rolling or whatever you want to call it, on highway stuff, it did to a certain extent take some of the pressure off the legislators. During the period, particularly in the forties and the early fifties, when we were just getting into a really rapid highway expansion, every time we'd have a session, we'd add a bunch of, if not primary, secondary state highways, and just because maybe they needed them. Maybe they needed one in Whatcom and maybe they needed one in Snohomish, and maybe they needed one in Yakima; well, then we had to add one in Walla Walla and Spokane and Stevens and Pend Oreille, and you'd just go right through the list and your bills just got longer and longer and you just added more and added more. I recall some stories about that, because while I was

Speaker at this time, you'd say, "Well, you didn't have time for that," but I would be approached by like Julia Hansen, she'd say, "Charlie, we've got this bill all ready to go and there's not a thing in it for you. Isn't there something that you need?" Well, that kind of pressure then was cut considerably when we got the Highway Commission set up as it is, and they made the decisions, and you had to lobby them instead of the Legislature.

**Mr. Rogers:** It was during a period also, soon to come, that in 1952 when the National Defense Highway Act was passed, offering ninety percent of the cost of National Defense Highways to the states, and they put up ten percent. There were many, many decisions on right-of-way, on construction and so on that were handled by the Highway Commission.

**Mr. Hodde:** Jack, just like in every session it seems that I was ever in, we had another public power fight in the '51 session. When we talked about the '49 session, we made some comments about the efforts by the P.U.D.s to take over both Puget Sound Power and Light and Washington Water Power and I only recap to say this much, that Puget Sound Power and Light wanted to sell out to the P.U.D.s. They were negotiating with them and they almost made it. I think I commented on that in our last interview, but one county held out. At the same time the Washington Water Power Company in the early forties, mid-forties, had been sold to the American Public Power and Light, a New York company. The New York company was ordered by a federal control agency to divest themselves of the Washington Water Power, either that or the one in Texas, as I recall. And they chose to sell the Washington Water Power. So, the P.U.D.s got together and decided if it was going to be sold, then they would like to buy it. American Power and Light, who were the owners at that time, were anxious to negotiate a sale. They felt they'd get more from the P.U.D.s than they would from a private outfit. So, Spokane, the Water Power local officials, didn't really want the P.U.D.s to buy it. I think you can understand that they felt like if a private company bought them—a private outfit rather than the P.U.D.s, that they would be able to stay in control as far as local activities . . .

**Mr. Rogers:** You mean the municipality of Spokane?

**Mr. Hodde:** No, I'm talking about the owners of the private power companies. Now the people in Spokane—actually the mayor of Spokane—supported the P.U.D.s. I wish I could think of his name now, I don't, but he did not have, generally, the support of the council and the rest of the officials. They basically all liked the private power operation. So, the P.U.D.s had agreed previously by a resolution, but to make it more certain, Bernie Gallagher, a good Democrat legislator from Spokane, introduced a bill that would, in effect, say that if the P.U.D.s were successful in buying Washington Water Power, they had to agree to sell the properties inside Spokane to the city; the city could take them over. This bill passed the House that way and the P.U.D.s went

along with it, saying, “We don’t necessarily want Spokane. We just want to get this thing public.” It got over in the Senate and the Senate amended the bill to provide that the P.U.D.s could only acquire the properties inside a city of 100,000 or more, if there was a favorable vote in that city on this matter. So, it became a private power company bill rather than a bill supported by public power. When it came back to the House, this became an extremely bitter fight over whether we would concur in the Senate amendment. And it was during this time that the so-called bribery incident occurred.

**[End of Tape Eight]**

# TAPE NINE

---

## [Tape Nine, Side One]

**Mr. Hodde:** This public power fight was not one that I relished at that time, because we had a lot of other things that were probably more important. As a good old public power supporter, I had to be concerned that if this passed, it might defeat the whole effort to get public power into business in the water power counties. So, but even then, as close as I tried to keep in touch with it, I was quite shocked when one of the Representatives came into my office, a Representative Simmons from Pierce County and told me that he had been offered a bribe if he would vote for the so-called Spokane Power Bill—the Senate amendment was coming back on it. I immediately called—I can use these names, because they were all in the public print—Lyle Iverson, who was assistant attorney general and had been assigned to the Speaker. I called him in, we talked to Simmons and I told Lyle, “I’m just turning this over to you. It’s up to you now to handle it, because it’s a serious matter and I want to be sure that we don’t do something illegal, but I do want to get to the bottom of this thing.” They decided somehow or another, their conference, and I think they made a little mistake in that they invited Frank Stewart, who was lobbying for the P.U.D.s, to sit in and learn about it too, which I believe it would have been better if they had not done, but nevertheless, his name got into the press also in regard to this. They decided that if they were going to try to get a conviction, they had to have better evidence than just Simmons’ word for it, so Simmons agreed that he would talk to the guy and see if he would like to buy another vote. Rueben Knoblauch, another very good man, honest as the day is long, who served in the House at that time, later was in the Senate for years, was a seatmate of Simmons, and so they agreed that he and Simmons would meet with this gentleman who’s name was Uleman, and see if he would offer both of them bribes. They risked a little challenge of entrapment, I think, because they had a secretary hidden behind the piano in the committee room where they brought this gentleman in to interview him. Well, he wasn’t bashful at all; he’d like to have two votes. Rather surprisingly, he offered them twenty-five dollars apiece. That was a little bit of money in those times, but today they’d pay twenty-five dollars for his lunch probably and wouldn’t think nothing about it. Nevertheless, it was offered as a purchase of a vote, so when we got into session on this, I went to the Republicans or supporters—not necessarily all Republicans, but the supporters of the Spokane position on this—and I said, “Look, this thing

has gotten entirely too hot and I don't want to have it hanging fire, I want to put this on the calendar for action this afternoon. I want to get rid of it!" Well, when it came up for discussion, the discussion started off okay talking about the principles and what's right and wrong about the situation. I had made a radio speech about this a few days before, in which I raised some of the issues, for instance saying, "They want the people to vote on this, but the people were not allowed to vote on it when Washington Water Power was sold to American Power and Light, and they do not ask to be allowed to vote on it if the sale is made to some other private utility or financial group that has no connection at all with Spokane, so we don't think it's a reasonable requirement for the P.U.D.s." Then the discussion got going pretty good and then Simmons takes the floor, and Simmons tells them that everybody ought to vote against this, because they're trying to buy votes. "They tried to buy my vote, they tried to buy Rueben's vote." All Rueben said was, nod his head, "Yes." That just threw the thing into a real turmoil and I decided that I had to take the floor, and I think I made kind of an impassioned speech about this. I said I did not want to comment about the virtues of the bill one way or another, but I thought that I did need to explain what had been going on, that they ought to know. Of course, after the discussion of the bribery thing, why, we did vote not to concur in the Senate amendment and sent it back to the Senate. The more interesting part of the story is that immediately I got back into the Speaker's office, if you can imagine, I think every major newspaper pressman was in my office. I remember so well Ross Cunningham saying, "Charlie, you better come up with a man, a person, or you're dead. You can't make that kind of a charge and not . . ."

**Mr. Rogers:** If some unknown person is buying votes, you had to produce the person?

**Mr. Hodde:** So, I said, "Ross, just keep your shirt on for an hour or so and you can go interview the guy." And because I had already suggested to the State Patrol and the Sergeant of Arms, who was Vic Skinner, I believe at the time, that they be ready to move and try to catch this guy. Well, he got out of town; he was up in the gallery, but he got out of town, but they caught him at his home, because we had already located who he was and where he stayed and everything. They went up to his home and got him and that evening they had him back into jail down in Thurston County. He was the loneliest man you ever saw, nobody ever came to see him, and after two or three days in jail, he just pled guilty. The judge, recognizing that it was a strange situation, gave him a suspended two-year sentence.

But, one of the things that developed out of that, that did hurt the session for some days, was that we decided we should have a committee to investigate it. I let the Republicans pick their own members for that committee and one of them was Perry Woodall, and they hung onto that for a long time, trying to make something political out of it. But, it finally disappeared from discussion and it's remembered by people that

were around there pretty well, but I just want it in the record to show that things were tense. Just a little bit of follow up on that: we did have a committee, that I mention was appointed, and they tried to find out whether there was any connection between Uleman and any of the power company lobbyists who might have offered him the money. The funny part of it was that the best connection they could come up with was really a gentleman who . . . kind of palling around. Well, we decided that he ought to be subpoenaed to appear before the committee. I don't want to say "we," I mean the committee decided it. So, they issued a subpoena and they sent a deputy sheriff—he lived in Seattle—around to his home to serve a subpoena on him. His wife met him at the door, met the deputy at the door, and said, "Oh, couldn't it wait until tomorrow? He's sick, he's just real sick." And this stupid sheriff deputy decided well, what's the matter; tomorrow's all right and he said, "I hope he gets better, I'll see him tomorrow." Tomorrow, he wasn't in town. He was gone and he stayed out—he stayed out of the state actually, until the statute of limitations had run, even though we'd quit pursuing this thing a long time before. The thing that was funny about it was that when Hubert Humphrey was running for President—God, when was that, 1970 or something. . .

**Mr. Rogers:** 1968.

**Mr. Hodde:** Sixty-eight, yes. Slim Rasmussen and I went to Seattle to a "Humphrey for President" rally. We were standing right close to the door and a guy came up that I didn't remember, and he started telling us how he was a great friend of Hubert Humphrey's and had worked for Humphrey back in Minnesota at one time, and when he left, Slim said to me, "Isn't that so and so that we were trying to find for that bribery thing?" I said, "By God, it is." He says, "How long's it been?" Well, it'd been ten years!

**Mr. Rogers:** The statute of limitations had run out.

**Mr. Hodde:** And he was back in town. So, I always thought that it could have been quite a bit more of a case if we'd ever found him.

**Mr. Rogers:** It was a tense scene on the floor of the House, I remember, when you left the rostrum, put down your gavel and came down to the floor and addressed the House from the floor as any other member.

**Mr. Hodde:** It had been a difficult thing, aside from the bribery thing, and I think I commented in my talk about it, that it's the only time that I'd seen pressure put on members so heavy on this. Both sides were guilty, actually, of pressuring their members so heavy, that a long time member and a very good friend of mine actually came into my office and cried like a baby, because he did not know what to do. I never forgot that he told me, that he said, "Charlie, I don't know what to do. I don't want to let you down, I don't want to let my friends down on the public power side, but these people have been feeding me and my family. How can I vote against

them?" And I said, "George, well, you don't have to." I won't say any more than just George. And then he came back in about a half hour later and he said, "I'm going to vote with you, I've settled my problems." Just to give you some idea, the pressure was just intense on that kind of question.

**Mr. Rogers:** I remember public power questions and the question of fish or dams and things like that had great pressure on the Legislature and . . .

**Mr. Hodde:** It sometimes made it difficult to get on with the more important business.

**Mr. Rogers:** Yes, and you have some of that more important business there before you, I believe.

**Mr. Hodde:** All right, let's move on then and talk about—I don't believe I mentioned, did I—that we also extended social security to state employees at the session?

**Mr. Rogers:** No, that was the session of 1951.

**Mr. Hodde:** That was a very big step from the standpoint of state employees' protection in their retirement.

**Mr. Rogers:** That meant that the state employee could opt to join the social security system and the social security would supplement his state pension?

**Mr. Hodde:** Right, you bet, and that has turned out to be a very significant thing. Along with the power thing before I leave it, the public power people were trying to build favor by moving into paying taxes on their properties. Earlier, I'd mentioned, I believe it was '47, that we adopted a tax bill to pay for, in lieu, taxes on new dams going up on the Columbia and they'd already had a tax system on distribution . . .

**Mr. Rogers:** Pay in lieu of the real estate tax.

**Mr. Hodde:** Right, it wasn't assessed. At this session we passed a bill that would allow Tacoma to make payments to taxing districts outside the city of Tacoma, where they served the people—where their lines served those people outside the city. That was just another part of the power movement that was intended to make public power completely acceptable.

Right now maybe it's safe to say the Legislature doesn't always concern itself totally with money and power and politics. This was the session when they adopted the Willow Goldfinch as the state's bird. Now maybe it's time, Jack, that we had some kind of an appropriation to cultivate more Willow Goldfinches so we'd get them better at home. But, it is a beautiful little bird.

**Mr. Rogers:** I recall that Senator Sears in the Senate was the champion of the Willow Goldfinch as the state bird and it is still so designated.

**Mr. Hodde:** One other thing that is causing a lot of controversy now that got a boost in this session was that we'd set up what we call the Toll Bridge and Ferries Law, which allowed the operation of the ferries to come

under the Toll Bridge Authority. I often wonder now if the Highway Commission doesn't wish it had kept it that way instead of taking it over. Later on, I served on the Toll Bridge Authority for several years, and this was the law that we relied on to allow us to expand our toll bridges and have the state operating the ferries.

We submitted to the people a constitutional amendment at this session that I always refer to as the Dahl Amendment. Barney Dahl was a senator from my district, and a Republican, very good progressive type Republican, in my opinion.

**Mr. Rogers:** Lived in Chewelah.

**Mr. Hodde:** Right, and Barney had come up with this idea and I supported it and the Legislature got the two-thirds vote in both Houses, which would allow the Legislature—well, maybe I should first say that under the Constitution up until that time if an initiative was passed by the people, the Legislature could not amend it, no matter how bad it was, for two years. For instance, with the 40-mill limit, they initiated it ten times, every two years, so the Legislature could never touch it to make any changes. So, Barney's amendment said the Legislature by two-thirds vote of each house, can amend an initiative. And he felt like it—he did that—and we had something pass like 172 that was going to bankrupt the state, if the Legislature felt that strongly about it, that it was a mistake, that they could change it. That was submitted to the people and it passed in the 1952 election, so that I give Dahl credit for that.

**Mr. Rogers:** It was used one time later, Charlie, I remember, to amend the Redistricting Act that had been passed by initiative, and the fellow who really put together the majority in the Senate was Senator Bob Greive, who is now a King County Councilman.

**Mr. Hodde:** Yes, that, I think it was about the only time it's been used as I recall, or of anything significant, and the funny part is that wasn't the idea, but it worked!

We had another constitutional amendment that we submitted that changed the Alien Land Law. I believe that was at this session, it was to allow aliens to own land. We'd had a provision against that. And it was chiefly done, because we'd had a number of Canadians who were actually living and working in this country, but who could not own the land; they had to have some kind of a fake lease arrangement or something in order to handle it and we decided that we should allow aliens. It's rather remarkable that if we'd kept that Constitution like it was, we wondered sometimes since whether it would have been good or bad, but if you look at all the investment of Japanese capital and other foreign capital in the state now, if that all had to be liquidated, it might slow us down substantially.

The regular session of the Legislature adjourned without passing an appropriation bill. We could not get

together the House and the Senate on it, and so that meant that the Legislature had to be called back in session almost immediately; I think we had a week off or something like that. And the first special session of '51 then met and we did something that caused a court challenge. We passed an appropriation bill with Langlie's desired Corporate Franchise Tax of four percent on it, as one bill. It was the only way we could get enough votes to look like we could finance it and so on. Anyhow, it did get through both Houses, but I had ruled that it was a proper amendment in the House; Vic Meyers ruled on—I don't know whose advice—that it was not.

**Mr. Rogers:** That was in the Senate, the President of the Senate.

**Mr. Hodde:** The ruling was appealed and the Senate overrode his ruling and passed the bill and we went home. But, the court went along, for two reasons; actually, they said it's unconstitutional to have two subjects in one bill and the other thing: that the corporate income tax is unconstitutional anyhow, and so they struck the whole thing down. So, we were called back in July, an emergency session, because we didn't have any appropriations to run the place on; we were in the biennium already. So, in a very short period of time we did pass virtually the same appropriation almost word for word, and we did put in a Hodde invention, a tax on real estate transfers of one percent to raise some of the money that we wouldn't be getting out of corporate income tax.

**Mr. Rogers:** I recall that schools were drastically in need of funds and the proceeds of that one percent real estate transaction tax were dedicated to education purposes.

**Mr. Hodde:** We had some trouble with Langlie. He didn't want to make it a state tax, so when we had been working on it before we had designed it to be a local tax, but it would offset state money. We had it designed in such a way that if the county didn't levy it, then they had to pay their own seventeen cents a day for students, which meant it came out of their property tax, so every county had to levy it, really.

**Mr. Rogers:** Counties quickly levied the tax, yes indeed. That went on for several years, the county commissioners levying the tax and then finally the Legislature changed it, made it a state tax.

**Mr. Hodde:** Yes, it was almost twenty years later that they made it a state tax, which should have been from the start really.

We had veteran's bonus problems hanging over and one of the problems that came up in this session was the problem of paying soldier's bonus to conscientious objectors, who, because they were conscientious objectors, hadn't been on the firing line, although some of them worked as medical assistants . . . in the war zone. But we worked out something; I don't remember how it was worked out particularly, that would allow payment of bonuses to conscientious objectors. There has been some claim that they aren't entitled to it, because they had not submitted to military completely. Jack, that's the most I recall about that session I think.

**Mr. Rogers:** Charlie, let's talk now about the 1952 election, when you were candidate for governor.

**Mr. Hodde:** Well, you know anybody that gets built up like I did when I'd been Speaker for two sessions and then people begin to decide you're going to be President some day or something, at least they try to tell you that and you get a lot of well-wishers come around and say, "You really ought to go for it. You're the one that could win." And you bite on it even though the history of Speakers is that they never get elected to anything, especially if they run right after they're Speaker. I've commented about that. Herb Hamblin came about the closest to it when he ran for Lieutenant Governor right after he was Speaker; that would be in the '48 election, right after the '47 session. And he just lacked a few votes of beating Vic Meyers out, but that was about the best showing that a Speaker ever made. Well, getting back to this actual campaign, I did get a lot of encouragement from a lot of people, that I really ought to run against Langlie, because they thought I understood his errors, or his omissions, as well as anybody and that it would give a big lift to the Democrats. I was tempted, I admit, that I'd gotten a little bit tired of the Legislature; it was about time to do something else or quit. And so, I gave hints right away that I was going to run, although I didn't announce until, I think it was, June.

There was kind of a special thing going on between Mitchell, who had been a congressman, and had served a short term in the Senate by appointment by Wallgren, and then got beat, I believe it was by Harry Cain. Now, the '52 election came along and Mitchell wanted to run for the Senate really, but Jackson by that time—Scoop Jackson—had become *the* big figure in Congress and it was Scoop's time to run. And so I had talked to Mitchell earlier and he had indicated that he was very likely going to file for the Senate and he would not file for governor. Well, when he just got really crowded out by Jackson, he told me he guessed he would file for governor. I didn't really think that would hurt me very much at the time, because I felt like I knew there'd be some other filings from the westside and I'd be the only eastsider and maybe the more people that filed from Everett and Seattle and Tacoma, the better off I'd be. Maybe I'd get the nomination just by the eastern Washington vote or something that was what I was kind of sold on. But it ended up that what happened was that Mitchell filed fairly early, or announced fairly early, and then it looked like a Mitchell-Hodde race for a while, but then there were several other prospective candidates. It ended up that Tom Martin filed, who was treasurer and couldn't run for re-election at that time; there was a two-term limit. Then Charlie Rawls, who'd been very active in veteran's organizations; he decided to run, and rather late in the filing period, almost filing time, Rosellini came to me and said, "Charlie, I've been supporting you, but you can't make it." He was just as honest as that. He said, "I'm going to file, because I don't want Mitchell to get it." He probably had real ambitions himself, too, but he said, "I'm going to file and if that splits up the Mitchell vote and you get the nomination, I'm not going to cry about it. But, I'm going to go out and campaign really hard." Well, again, I was feeling that there's another westsider and I'll get some votes on the Westside . . .

**Mr. Rogers:** They'll split it up.

**Mr. Hodde:** Yes, there'll be four of them running over there and I'll be the only one from eastern Washington. Well, you can get misled a lot, but the campaign came off and I thought that we had a pretty good campaign. Now, some of the things that have been said about the campaign later was that my whole platform was really too pragmatic; in other words, I didn't go for the things that would capture people's fancy. I didn't run around calling any of the other candidates "communist leaners" or anything like that and I didn't accuse Langlie of being dishonest. Maybe I did accuse him of not being too competent and things of that type. But just an old campaign document that I have shows that I tried to point out that on schools, I'd been a long supporter of equalization and better schools, and that on roads that I—and I pointed out that I'd had some very good people working with me in the Legislature and Julia Hansen had done an excellent job and was highly respected—and about the work I'd done with the farmers on their rural electrification and public utility districts, and on natural resources and various developments in forestry, and that I'd been a good labor supporter, although not a union labor man, and on business that I thought I'd been recognized as a person who really understood business, who'd paid taxes, and made out reports, and did things of that type and had not been living off politics even though I'd been in the Legislature.

**Mr. Rogers:** You'd tried to build your campaign around the really big issues and the important issues that the state needed to solve.

**Mr. Hodde:** But, I'd been told at the same time by some very good friends that, "Charlie, you can't get elected that way." I said, "Well, it looks like the right way to do it." One instance would be a very good friend of mine, who was associated with Rosellini as a lawyer, had come to me fairly early in the campaign and said, "Charlie, I remember back in 1937, you were the one that kept the tax off food; in 1939, when you weren't there, they put the tax back on food. Now, you should come out in your campaign, one of your big issues should be to get the sales tax off food." Well, then I sit back and say, "But we can't afford to; we can't lose all that revenue. We've got to balance our budget. We've got to do all this."

**Mr. Rogers:** That's known as responsibility.

**Mr. Hodde:** Well, I don't know what it is; it's not the way to get elected and somebody says if you can't get elected, you can't be a statesman. But anyhow, when Rosellini came out—this same friend told him—so he comes out then for taking the tax off food. Of course, we didn't do it at that session, or for many years later, but maybe my fault, if I were to pick fault, was that I didn't really look at the issues that would be glamorous enough in the public eye, but so much for that. Mitchell had the recognition as a former candidate and a member

of Congress, and he'd been voted for all over the state, and Rosellini gave him a good challenge. Mitchell got the nomination, but he crowded him hard enough that I suspect that that had something to do with the fact that Mitchell lost in the final election; it was a real tough campaign that Rosellini put on.

**Mr. Rogers:** The difference, however, Langlie won by fewer than sixty thousand votes in a statewide election . . . they each had over a half a million votes.

**Mr. Hodde:** Very close, given just a little something different and Mitchell might very well have been the governor.

**Mr. Rogers:** Of course, that was the year that General Eisenhower ran for President against Adlai Stevenson.

**Mr. Hodde:** And you remember that we elected a Republican Legislature and a Republican House. You see, it was a Republican year and so all those things put together, the Democrats lost the governorship.

**Mr. Rogers:** Henry Jackson was elected to the Senate.

**Mr. Hodde:** That's right. That was the one outstanding Democrat victory of that whole campaign.

Well, I thought when I got that far through that campaign, that I was through with politics, at least from an elective standpoint, that I wasn't going to go into it anymore and I still had my business over in Colville. I was farming there and the funny part of it was that I hadn't logged for ten years, and I went back and I took out almost a million feet of logs that next summer. Then I decided, well, what the heck, I had a little sawmill come in and cut up about thirty thousand feet of lumber for me and I built a new house. My own planer mill and everything, did almost all of our own woodwork and I spent a good part of 1953. Then, oh, I did some politicking around, I want to talk a little bit about that, but nevertheless our big family project was a new home on the ranch. We built a nice one; it's still one of the nicer places over there. Thinking we'd be there the rest of our lives, my wife, Helen, and the kids and I, you know, well, we lived in it for three years and then moved out into another job, which we'll talk about later, and finally I sold it in 1971, I believe it was. But, the thing that did happen to me that kept me going in public life quite strongly then, was that the state Grange was having quite a problem at the time. Henry Carstenson had been Master for quite a few years, I think probably in the neighborhood of ten years or a little longer, maybe twelve, and Henry was a very aggressive guy and had done a great deal to expand the Grange in his earlier years. He also got into some things that some of the Grangers thought were not the proper activities, and they weren't being too successful financially. We had a flour mill that we bought over in Cheney and that had to close down, and we had a youth camp that we built up on Snoqualmie Pass that he put a great deal of effort into, but it turned out that there wasn't any real scandal or anything of that about it, except that it just wasn't too well accepted. It just seemed like the people didn't go into putting

that much money and effort into it, so there was quite a campaign in 1953 to elect a different State Master. I was approached by some of the real old time Grangers, Fred Nelson was one of them, who'd been a Master of the state Grange clear back in the early twenties and he was getting, it must have been, eighty years old by then. He wanted me to run, and I said, "I can't do it. Henry and I have just been too good of friends for too long and I won't run against him. I'll admit that there's some problems," and I said, "I just can't do it." "Well, would you run for overseer?" And I said, "Yes, I'd run for overseer. I wouldn't mind being overseer." That's the number-two position like the vice president. Well, it came up for a vote and Lars Nelson, from Whitman County, who had been fairly conservative—he got to be quite liberal as Master—but Lars was not even a public power advocate before he was elected Master, which is unusual in the Grange. But, the way they did in the state Grange at that time, they nominated a whole slate of candidates and then they voted. The first vote was for Master and when that vote was announced, Henry was beaten substantially and of course, I was thinking of myself as a Carstenson's candidate for overseer, because I had openly supported keeping Carstenson on the job. So, I went back to Carstenson's hotel with him, just out of sympathy more than anything else and I hadn't been there more than a few minutes and some friend of mine came rushing in—I don't know who it was, "Charlie, you just got elected overseer." I said, "I don't believe it." He says, "Yeah, two to one!" So, there I was right back in the middle of things, because Lars was brand new and I had been a state officer before and I'd been involved in their Grange work for so much. But, I found myself putting in a lot of time, not on a steady-paid basis, but just executive committee meetings. I was a member of the executive board by virtue of the office. So, my next four years got me very much involved with Grange legislative programs, activities of all that nature.

I also stayed quite active in the Democratic Party. I think that's best demonstrated by the fact that I was still being urged, on occasion, to take another run at governor. But even though I thought I might have learned quite a bit in the first campaign, I just really didn't have any feeling that I should do it. We got to the next election, the 1956 election, and Rosellini became a candidate, and he was opposed in the Democratic Primary by Earl Coe. I was chosen to be the permanent chairman of the convention in Tacoma in 1956 and I think it was a very colorful convention.

**[Tape Nine, Side Two]**

**Mr. Hodde:** It was the first statewide political convention in the state that was televised. They started right from the start, covered the election of the permanent chairman, the adoption of the platform, which went on all day, and the demonstrations for governor were the spectacular events. They really had organized, because knowing it was going to be on television, they went to a great deal of trouble and they did have a good viewing

audience, but God, the parade for Rosellini must have taken fifteen, twenty, thirty minutes before they could get the place quieted down enough before they could go back to convention work. And Coe's wasn't much behind him. They even had dancing girls up on the stage, kicking their legs up and showing off to enthuse the crowd. It was really a show and I really was pleased with the kind of performance they put on. Then we got down to business—chiefly on resolutions and the platform and so on, and it went on and on and on and on. Everybody wanted to talk, because everybody that talked got on T.V.—I think that was the main reason—but there were some pretty good issues to discuss. But, it got down to about eight o'clock at night and we hadn't quit for dinner; we were just trying to wear them out to get out of there. The T.V. people came to me and off to the side, they said, "Look, we've got to cut out, we've run much longer and we're going right through prime time. We're just going to have to take the T.V. off." They turned the lights off and fifteen minutes later nobody wanted to talk and we adjourned. It was just one huge big show, all day long. But, it was kind of nice to be on that one; I don't know whether there was any record made of it, it would be fun if you could rerun that show.

Anyhow, it ended up then after the convention—Earl Coe had talked to me before, and I told him I wouldn't do it before the convention, because I did want to be the chairman—and so he talked me into being the chairman for his campaign committee then. When I got into it, I found out that there had just been so little done, I couldn't believe it. Coe had always been a great vote-getter, but everybody just seemed to be depending on his popularity to carry him and they hadn't raised any money to do advertising. I know one of the first things I did was to send a letter out soliciting contributions. I got \$7,500 back from that letter and that was more money than they had collected for a governor campaign, all the time up until after the convention. I put in quite a bit of effort into that campaign and didn't know at the time that Earl was sick, and it should be said in his favor, that had he been able to get out and campaign like he had previously, he might still have been able to get the nomination. He came over to Colville and I had this new house I talked about building, and I had forty-five people in for breakfast with him. Now, that takes a pretty good sized house, but it had a huge forty-four foot long area that opened up into a living room, forty-eight feet actually it was and all, where we could seat a long table of people. Just as a sidelight, Earl got sick during the breakfast and had to go to the bathroom and threw up and all, and then he came back and seemed to be all right again. If he knew it, he didn't say anything, but it turned out after the election campaign was over, that he had cancer of the esophagus and he didn't live too many years, although he went into Rosellini's cabinet for a short time, but Earl didn't live for a long time after that. So, he was not able—we couldn't understand why he just stayed in the office in Seattle—we couldn't get him out. But frankly, he was a sick man; he just didn't want to say anything during the campaign about it.

**Mr. Rogers:** It wasn't known publicly.

**Mr. Hodde:** No, it wasn't known publicly and he wasn't about to give up and so, but Rosellini got the nomination. I was a bit surprised that, me having headed Coe's campaign, that I began to get requests from the Rosellini campaign to make some speeches for Rosellini. I turned them down until I got one that said, "Over in Wenatchee there is a group over there that are raising a religious issue very strongly, that Rosellini's a Catholic. We know you're a good Methodist and a member of their executive board," whatever we called it then, "Would you go down there on this issue?" And I said, "I sure will." I just can't understand that, and so I did make a trip to Wenatchee and made a speech down there that got excellent coverage in Wilfred Wood's paper, who's a good friend of mine—I guess it was still Rufus then, I'm not sure. But anyhow *The Wenatchee World* carried a good story about it, and Rosellini did win the election, as you know.

Then I thought, "Oh well, Charlie, you'll go ahead with your Grange work and it'll be just like always. Now, you can settle back and relax." And about four or five days after the election, I got a call from Rosellini. He wanted to know if I would come to Seattle and meet in a small committee that he'd set up to help select his cabinet members. You can imagine I laughed at him right over the phone, I said, "Everybody knows you had your cabinet members selected before you got through the primary." "No, I didn't," he said. "I'm not lying to you, Charlie. I've made almost no promises and I want you to sit in with this group." I said, "Well, who is this group, and then I'll tell you." He told me who was on it and Harold Shefelman was one of them, whom I'd always admired a lot and was not a wild-eyed man by any means, a good lawyer in Seattle, and Victor Rosellini and Doctor Rosellini, who were cousins of his.

**Mr. Rogers:** Leo Rosellini, Doctor Leo Rosellini, yes, they were cousins.

**Mr. Hodde:** Victor had the restaurant up there. They would be sitting in on it, and there were one or two others. They were all very responsible people and I said, "Well, I'd be tickled to sit in with that kind of a group anytime." So, I made a trip over to Seattle. It ended up I made a number of trips over there and finally the balance of the committee insisted that he should have me in his cabinet. Because I had no idea I would ever become a full-time state employee, it'd never been one of my ambitions. So, after thinking it over a while, I told him, "Well, Al, you know there's one thing that I would be interested in doing, and that would be the Director of Agriculture. Then it came out that he had made a commitment on that.

**Mr. Rogers:** Joe Dwyer.

**Mr. Hodde:** Joe Dwyer had been a very good supporter of his over in Ellensburg, he said, "Charlie, I'm going to have to tell you this—maybe I could back out on it—but I really have committed to Joe Dwyer."

Incidentally, we had not talked about Director of Agriculture in these meetings we were having at all. So, he said, "I'll tell you where you ought to be and I would prefer to have you there, I want you to be chairman of the Tax Commission. I said, "Al, you're tempting me, but I won't take the chairmanship," because the chairman of the Tax Commission at that time handed out all the estate appraisals. It was the biggest patronage line there was in the state as far as easy dollars are concerned. I said, "You've got to put somebody chairman of the Tax Commission that was active in your campaign, a good supporter right from the start, because if I go in there they're all going to say that I'm favoring the Coe people, that I'm not being fair and all and I can't operate in that kind of a situation." And I said, "There's one other reason why I would prefer to be on as a member." And he said, "Why?" I said, "Well, if you wait until February to appoint me," —this is just a part with humor, but it's a little practical too, Jack, "if you'll wait until February, there's going to be a vacancy, when a gentleman's term runs out and the salary will go up from \$8,500 to \$11,000 and I'd prefer that job."

**Mr. Rogers:** With the higher salary.

**Mr. Hodde:** Yes, the higher salary, I said, "I'll take that one." He laughed and said, "Okay, of course you don't get on the payroll until February." I said, "That's fine with me." Actually, I came over to Olympia before the session started and I worked all through January, just as hard as if I'd been on the payroll with the governor on all kinds of problems. But, I think it was the proper selection for me to make, because I took charge of the property tax, in fact most of the tax activities of the department, as soon as I got in there, because Clark Squire was a member, but Clark had been a IRS man and didn't really know state taxes that well, and Bill Shumacker took the chairmanship. Bill again, was a fine guy and all, but he was not a taxman, so . . .

**Mr. Rogers:** He was a Spokane man, as I remember.

**Mr. Hodde:** Yes, he really was not too bad an administrator as far as that goes. But, I really got very much immersed there and of course, that got me started on a series that I think would be maybe a better deal to talk about in another tape.

I want to mention one other thing that went on during this four-year period that I was not in state government, that I think is of some interest. It's been mentioned several times and I've talked about it, my involvement with the P.U.D.s and the number of fights that have occurred. In 1955, the year before the '56 election, well, let's—a little bit more history. Stevens County, where I lived, had a P.U.D., they'd organized one fairly early, and in 1939, they had a choice of either activating a P.U.D. in order to get lines out into the rural areas, probably started talking about it in '38 or they could go R.E.A. I advocated that the P.U.D., which would take a little longer, go ahead as some of the other counties had and organize a P.U.D. power company

and put the lines out into the rural areas. But, I recall very well, a meeting we had in one of the Grange halls, I'd presented my case, but they finally decided they were going to go R.E.A. and the argument was this, "If we go R.E.A., we'll have power next summer. If we go P.U.D., it will be at least two years and could be longer, and we want power now." I could have sympathized with that, so they went R.E.A., but after they'd been in R.E.A. for quite a few years—in other words the R.E.A. was actually built in '39 there, a lot of them had electricity by '40. I was doing electrical contract work in addition to my farming at the time and I hired practically all my farm work done, because I was just covered up with wiring jobs all over the county, because they were expanding so fast. Thought I had one of the best crews going, because if it was just an ordinary old farmhouse, we got there by nine o'clock in the morning, we'd have the lights on by five o'clock and they couldn't believe that. But I had a real efficient way of going about it and they didn't require a great deal at that time and so we had all the work we could handle, and it was profitable work compared to farming, so I worked with that.

Anyhow, the R.E.A. ran until—I don't remember the year exactly—but sometime in the forties the P.U.D. decided to buy out the R.E.A. They first had tried to buy out the Washington Water Power by condemning the properties, which were mostly in the city of Colville. For some reason, we felt we had a pretty good jury; I know that we had a Seattle attorney representing us and that might have been a mistake in Colville, but the local jury gave an award to Washington Water Power that was so high that the P.U.D. couldn't finance it, at least decided not to. They felt like the award that was made by the jury was the highest figure that was ever mentioned. It was about like this: the Water Power had submitted information, which would indicate—I can't remember the exact price—but that this many million dollars would be a proper amount to pay. The lawyer asked, "Well, if you were just a willing seller and this were a willing buyer, what do you think the Water Power ought to have for this?" And he picked a figure quite a bit higher than what they'd testified to, and that's what the jury came in with. And talking to some of them afterwards, he said, "We don't think any private owner of property ought to have to sell for any less than what he wants." And the guy had said it almost in jest.

**Mr. Rogers:** Not what it's valued at, but what he wants for it?

**Mr. Hodde:** No, the appraisal was nowhere near that, but this was what he wanted for it. Well, so then the P.U.D. decided to get into business and they took over the R.E.A. Of course, they could not cut rates substantially or do anything, because they still had all the scattered territory and none of the good territory. So, in 1955 they were negotiating with Washington Water Power, because both of them recognized that it would be better if one of them operated than two of them, from an efficiency standpoint. So, they reached an agreement with the Washington Water Power that they would put the P.U.D. up for sale, which would require a sixty

percent affirmative vote to sell out the P.U.D.'s rural areas to the Washington Water Power. The Washington Water Power, in turn, agreed to a price on their properties in the county that was substantially lower than the jury award had been, which they agreed that if they didn't get the sixty percent favorable vote to selling the P.U.D. to the W.W.P., that they would sell their holdings in Stevens County to the P.U.D. Sounded like a pretty reasonable arrangement and we thought we had good P.U.D. support in the county and all and so we went into an election.

But, we overlooked how much effort the Power Company was willing to put into defeating the P.U.D. in this area. They brought in excellent people from all over the Northwest to campaign for the Water Power's position, which was that the P.U.D. should be sold to Water Power. They won by a seventy-one percent vote, so there was no question about it. The P.U.D.'s price had been high enough that they ended up with money enough to pay off all the bonds and several hundred thousand dollars left over. That money sat there for quite a while and they eventually put in a couple of water systems and one thing or another, but I have to say this for Water Power, when they took that over, they really went out there and did a good job. They did an excellent job; they brought service in where even the R.E.A. hadn't been able to do it. I don't think they made any money up there, but they sure put on a good example that they could serve rural areas and do a good job of it. The agreement was that the P.U.D. wouldn't condemn for at least five years; they wouldn't institute any further action.

They never have instituted any further action, because there's no way that they could have taken over and done as good a job as the Water Power did, I don't believe, under those circumstances. But, that was a power fight right in the middle of the time when P.U.D.s were building up all over the state. They were building dams on the Columbia River; they were getting to be the big thing, Jack, and here they took a set-back in Stevens County, which was Charlie Hodde's home county . . . terrible. But, from the standpoint of the county, they got very good service out of it.

Now, I don't think of any other very special problems of that period. We had the usual kind of matters in the Legislature. I made a trip or two down there for the Grange on some agricultural projects, but was not a paid lobbyist, did not get back into that field at that time.

**Mr. Rogers:** The Legislature of 1953 was a Republican legislature in both Houses and the governor was Arthur Langlie and, as I recall, Mort Frayn of Seattle was elected Speaker in 1953.

**Mr. Hodde:** That's right, and Mort filled out the way Speakers usually do; he ran for mayor after that and got beat. Speakers usually do. I guess the only Speaker that ever got elected to a public office, as I recall, was Swayze who served as Speaker one term and several years later ran for judge.

**Mr. Rogers:** Tom Swayze from Tacoma.

**Mr. Hodde:** Yes, and later he got elected judge.

**Mr. Rogers:** That's right and I think he still serves as a Superior Court judge in Tacoma.

**Mr. Hodde:** I'm not sure whether he's retired or not, but I believe, of all the Speakers I ever knew, he's the only one who ever got elected to public office after he'd been elected Speaker.

**[End of Tape Nine]**

# TAPE TEN

---

## [Tape Ten, Side One]

**Mr. Rogers:** Charlie Hodde had accepted an appointment by Governor Albert D. Rosellini, newly in office in 1956, and he became a member of the Tax Commission. He finished his legislative career as a member when he ran for governor and now he is ready to embark on what is known as “the Rosellini years.”

**Mr. Hodde:** Jack, when I was approached by Rosellini to take a position in the cabinet, of course I recognized that it was going to be quite a change from being an apple and potato grower, with a part-time legislative job, and maybe I should recount. My wife and I had quite a conversation about it, and she’s the one that really made the decision, because she said, “Look, when you ran for governor and didn’t make it and you said you were through with politics and yet you’re spending at least one week out of every month working for nothing and getting involved in political activities, then add to that your duty in the Grange, maybe you really ought to take a full-time job instead of just trying to operate as you are.” With her consent and approval, I took the job.

**Mr. Rogers:** You might say it was good judgment on her part.

**Mr. Hodde:** Okay, well, she had pretty good judgment, even when she picked out her husband!

But, anyhow, I found this extremely interesting, because when you get into an administrative position, even though you’re familiar with the legislation and all, you find that legislation is one thing, it writes the rule book, but the way the business is carried out sometimes can be quite different.

A good example would be in the property tax system. Our constitutional law said that property should be assessed at fifty percent of its value, and of course, we knew ahead of time and we found out then that it was being interpreted by the assessors generally as not to exceed fifty percent and so the average level of assessment for property would be more nearly twenty to twenty-five percent instead of the fifty, which of course, made the ceiling much tighter than was intended by the Constitution. It wasn’t necessarily our purpose to get the assessments up, as much as it was to equalize them in the work that we did. One to the things that I laughed about later on when I heard about it from a representative from Washington Water Power, that the person who had been their lobbyist when I was in the Legislature, and Washington Water Power—me being a public power advocate—had not considered me one of their best friends for sure, but this gentleman grabbed his head in his

hands and said, "Boy, there we go, Hodde's going to run the Property Tax Department." I was later told by his successor who's a lobbyist that they really got treated better by Charlie Hodde than anybody ever had before, because I discovered that they were assessed on almost twice the level, in relation to full value, as the other properties in their particular service area. And over a period of several years we did reduce their assessments substantially. We attained some gains in that field, but the property tax system never has been one for exactness and it always remains controversial, and did even after our best efforts there. Rosellini also announced that Hodde would be his legislative liaison, his representative with the Legislature, so I became involved again with the Legislature in many areas other than just the tax area that I was serving as administrator in. One of those was in efforts to revise our budget and accounting system. Warren Bishop was Governor Rosellini's chief administrative assistant, the top guy in the governor's office. Warren had come from the University of Washington, where he'd worked.

**Mr. Rogers:** Washington State University, was it not?

**Mr. Hodde:** No, no he was from the University of Washington, he later became associated with the University over at Pullman, but he worked in what was then the section that was dealing with the cities' problems largely, various cities, I can't remember the exact name of it right now, but not active politically, had not been . . .

**Mr. Rogers:** That was the Municipal Research Bureau.

**Mr. Hodde:** Yes, right, that was it, the Municipal Research Bureau. Then he turned out to be a man with a great deal of expertise in budget matters and that type and the governor relied on very heavily, but he had asked me to serve as the chairman of a committee to revise the budget and accounting system. Again, not being a C.P.A. or anything, I don't know exactly why I was picked, except that he seemed to like to load me with lots of chores. We hired an outfit called Donaho and Associates to do a budget and accounting study. The budget and accounting system that was in effect was really almost like the state started out, it was not sophisticated at all. There was an attempt on the part of the budget office to almost become the administrator of every section of the state government, in other words, it was almost as detailed as saying, if you want a new typewriter, you've got to get the approval of the budget officer, of the Director of the Budget, whose name was Brabrook at that time. And Brabrook was one of the hardest working public servants you ever saw, because he tries to do it all himself, he didn't have much staff, and boy, he was working day and night trying to keep up with it. I think he recognized that there needed to be a change, because we got no opposition from him when we got into this study. What we came up with then, through the study of this consultant and some of the committee's ideas was an accounting system, a budget and accounting system which is generally referred to as the Budget and

Accounting Act of 1959. That worked on an allotment basis and more latitude was given to the directors of the general government agencies, but they were held strictly accountable; they had to stay within their allotment and any money that was unused at the end of an allotment period which was usually for one quarter—three months—reverted. And the process for the first biennium of full operation, which had been the third and fourth years of Rosellini's Administration, we reverted about thirty million dollars that might otherwise have been spent, because of the way the system worked. So, it's generally been recognized as being a great improvement that was built during that time. One interesting point was that during the period when this study was going on, was when—I'll talk about later—when there became a real problem in General Administration, and I was asked by the governor to switch to General Administration director from the Tax Commission member. I got so busy at that, during the '59 session, when this proposed legislation was before the House and Senate, that I had almost lost touch with it and then I got a call from Julia Hansen, who if you read the transcripts ahead of this or heard them, was a very good co-worker of mine. She said, "Charlie, if you want this thing you'd better get over here and talk to the committee, because the way they've got that drafted and the way it's being presented to the committee, there's just no way they're going to pass it." So, then I got a copy of what they'd prepared and they didn't know legislation and they didn't know constitutional law; they knew accounting and practices like that. But they had things in that bill such as saying, "and this act cannot be amended by a future legislature." Can you imagine now that'd go over with the Legislature?

**Mr. Rogers:** They were talking to present legislators and they didn't want to . . .

**Mr. Hodde:** There were various things of that type in the language and so we quickly revised it and got some of those things straightened out and I did appear before the joint meeting of the Senate and House Ways and Means Committee and we got the legislation passed. And it's been recognized as a real step forward, in fact the general principles of it are still being used by the state.

**Mr. Rogers:** You also were involved then when you went to the Department of General Administration, can you tell us how that occurred, I understand the governor called you.

**Mr. Hodde:** I will in just a moment, but let me first point out that tax problems were very generally recognized as being of paramount importance and the governor appointed a Tax Advisory Committee of 1958, generally called the Shefelman Committee. Harold Shefelman was the chairman of it, a very well known and able lawyer in Seattle. I served not as a member of that committee, but being in an administrative position as you might almost call it, the chief advisor to it. It was very interesting that after many months of meetings and testimony and work, it came to the day when they were voting on programs and one of the elements that had been

proposed was that we again support the enactment of a graduated net income tax as part of our tax program. The labor representative who had been a strong supporter of the income tax missed that meeting and the vote for whether we favored an income tax or not, or recommended it, was a tie vote, in which case the chairman had to rule that it had not carried and consequently there was no recommendation in the '58 report for a net income tax law, which was rather surprising to a lot of people coming under a Democratic administration that had generally always favored the income tax. The accounting act and other studies we did and activities, did result in a substantial reduction in the deficit for the general fund, which was important politically as well as fiscally, because during the Langlie administration, the budget had gotten as high as sixty million dollars in the red.

Going into the question of General Administration, there was in effect, sort of, call it a scandal if you want, but *The Seattle Times* had received a lot of complaints about purchasing practices in General Administration and Ed Guthman, who went on to become a very prominent national figure—he was a reporter for *The Times* at that date, but he later was Bobby Kennedy's chief assistant and after . . .

**Mr. Rogers:** Press secretary and chief assistant.

**Mr. Hodde:** And after that he went to Los Angeles and was editor for one of the major newspapers down there for a number of years. He also had another distinction that in some of our earlier tapes we talked about, the Canwell Committee and so on, and Ed was the guy who did the investigating of the charges against a certain Professor Rader, who had been painted as a communist by Canwell and proved that the testimony they relied on had been false and that Rader had not been involved at the meetings that they claimed he'd been at. He was cleared and for that, Guthman got the Pulitzer Prize. Well, he didn't get a Pulitzer Prize for the investigation of General Administration, but I point out these other things, that he was very thorough and he headed the investigation. They went to Rosellini, it would have been in early December, probably around the 7<sup>th</sup> or 8<sup>th</sup> of December. He was aware they'd been investigating, but had been assured by the director there that there was nothing wrong over there; everything was all right. So, after they had had a talk with Rosellini, he became convinced that there were problems over there that were significant and decided that he should change directors. Apparently, he had talked with Nelson, who was then the director, several times, but had been reassured that the investigation was not going to create any real problem. After talking with Guthman, he decided that something should be done, so I got a call at ten o'clock at night—I guess I was in bed or just about in bed—telling me—Warren Bishop actually called me, not the governor—and said, "The governor wants you in here at eight o'clock in the morning. He wants to swear you in as the new director of General Administration." Well, I knew something had been going on; I'd had a visit with Guthman, but again, I hadn't taken that much interest in it,

never thought I'd ever be involved. But I went along with the suggestion and I found myself suddenly at the head of a department that was very upset. I never walked into a place where I saw as little friendliness as when I went in that day that the papers had come out and the report was around. You can imagine it circulating through the department; they didn't do anything but talk about it.

**Mr. Rogers:** They didn't know what was going to happen.

**Mr. Hodde:** They didn't know what was going to happen. Everybody figured their job was on the line; we didn't have civil service then. The new director could fire the whole crew if he wanted to, that was about the way things stacked up. But I found a few people that were willing to co-operate; one of the most co-operative members was Bob Nesbitt, and I have correspondence—copies of it—that Nesbitt wrote to Nelson, memos pointing out to Nelson that things were in bad shape. That gave me a lot of confidence in Nesbitt and so he remained as my administrative assistant.

The secretary, Lila Jayne, was also a lot of assistance. She stayed on, although I took my personal secretary, Trudy Underwood from Revenue down to work for the first couple of weeks, so I'd have somebody I trusted there, but she wanted to stay with the Revenue Department, which was the Tax Commission at that time. But, these people were a lot of assistance and I found a lot of good people down there. It ended up that after a week there, I decided the only way to get to the bottom of it was to suspend the purchasing supervisor and all of the buyers; I believe there were about seven of them or so. I told them in the letter of suspension that their salaries would continue, but they would have access to the files only for the purpose of answering questions that they were asked about their own activities, that hopefully they could all be re-instated if we found nothing really wrong. It ended up that I did let the purchasing supervisor go, because I recall very well our final conversation, in which I was questioning him about the fact that *The Times* had reported—and he admitted—that he had bought over \$90,000 worth of supplies from his brother's feed store, which he said didn't mean nothing to him. But in effect, he said, "If I can get them for the same price, why shouldn't I buy from my brother instead of somebody else?" And I said, "If you don't know why you shouldn't buy from your brother, then you can't hold a public office, because there is a conflict of interest there, whether it's a profitable arrangement or not." But, it was bad, because the total business, other than the state business his brother had, was barely in excess of what he got from the state. So, you can see that there was favoritism there, and the former director had bought several thousand dollars worth of supplies from his drug store, that he had owned before he went to become General Administration director; a few things like that. There were very loose practices. There were some false bids, and in other words, there were situations . . . never pinned it down that the buyer did it, where there'd be

like three bids—they usually wanted at least three bids on something—and they’re all signed with the same handwriting, but different names. Things like that certainly merited a lot of research. The biggest problem though, was that the organization had not been modernized since, well, fifteen or twenty years. Purchasing had become a pretty substantial business, as I recall, running somewhere over fifty million a year in supplies and equipment and stuff for state agencies. Much bigger now of course, but at that time that was still a lot of money.

**Mr. Rogers:** Did this result in new legislation?

**Mr. Hodde:** We did. We developed—again, we called on Donaho and we got a consultant from him who’d worked on a similar problem in California. Working with him, we put together a new program. I think, without trying to get into detail as to how it was put together, competitive bids were required on almost everything over three hundred dollars, unless it was an extreme emergency. The director did retain rights for negotiation and some contracts where reasonable competition could not be secured. I might give you an illustration of that: we wrote the contracts for fuel for the ferry system and there was only one outfit—Shell Oil was the only one that could really make deliveries to the ferries on the schedules that they had to keep. In other words, they couldn’t afford to run the ferry an extra hour to go to some other place to fuel and Shell had the location that was handy for fueling when they were in Seattle. Shell had tried to jump our price up substantially and I had discovered in some investigation, that while they were—as I recall the figures, and I can’t be sure they’re exact, but they’re in the ballpark—they wanted something like twelve cents a gallon or better for the ferry fuel and I found out that they were selling to the railroads for around ten and a half and they weren’t taking near as much of a load as we were. You can understand, we’d take like 30,000 gallons at one stop and they’d take maybe eight or ten. So, I thought we ought to have at least as good a price as them. I couldn’t get anywhere with them—I talked with them—and so I went to a friend of mine—an acquaintance at least—a representative of Standard Oil, and I said, “Isn’t there any way you can bid on this?” And he said, “Charlie, the only way we can bid on this honestly would be to have a contract long enough to justify putting in a new installation where we can meet the requirement that the turn-around time has to be not over thirty minutes for a load.”

**Mr. Rogers:** Didn’t want to tie the ferries up.

**Mr. Hodde:** No, we couldn’t afford to tie them up to save a cent a gallon on fuel. Anyhow, I conceived the idea then that, all right, I’d call the Shell people and I said, “Look, in order to get some competition on this, I’m going to enter into a two or three year contract if necessary, in order to get some competition on this.” Only a day or so later, I got a call from the person that represented them, who said, “The boss is up here from Los

Angeles and he wants to come down and talk to you.” They came into my office and they gave us a price of nine plus, nine point five or something, on that fuel. We saved damn near twenty-five percent by negotiating.

**Mr. Rogers:** The wonders of competition.

**Mr. Hodde:** I just throw that in to show you that negotiation can sometimes be effective, rather than just competitive bidding. But, in most cases we used competitive bidding and we also changed our procedure system, so that the buyer who put out the invitation for the bids did not receive the bids when they came back. They went to the bid room, and because I manned the bid room with ladies, it got called the Bid Room; that was part of the office humor. But the system was such then, that before the buyer got to see the bids that came in, the bid room catalogues everything, kept a complete record of it. That way, the buyer could then evaluate them, but the record was already made, the high and low one. In other words, he didn’t have any chance to shove anything under the desk or pull it back. In other words, it added some credibility to the system.

The other thing we did that had been complained of severely by *The Seattle Times* investigators, it was almost impossible to trace a bid from start to finish under the system of filing that they used. So, we changed the whole system so that everything that pertained to any bid actually was in one manila folder. In other words, if you raised the question about the purchase of an automobile or a load of beef or whatever, if you had the purchase number, you could look at the whole program. Just to illustrate how it worked, we got this in there, set it up and within about two or three months, of course, complaints began to come in. We were getting some really good prices; we got substantially better prices than they had been getting before. Letters went to *The Seattle Times* saying, “I got cheated. I know there’s something crooked, because I bid my absolute costs, I didn’t leave any profit and I still didn’t get it. I don’t believe that they could have a legitimate bid. There’s something crooked going on.” So, first Guthman and his assistant came down and asked about it and I said, “Well, let’s take a look at it.” So, I just pulled a folder out and they went through it, “Well, I didn’t see anything wrong with that.” The second time they came down, the same thing, they said, “This is the last time you’re gong to see us; we’re not coming down to bother you any more.” But, the whole problem was solved by the fact that they could see every step right in one folder and that took a lot of the pressure off, because we could show it. We were getting bids that were below cost to the ordinary supplier. I know, I looked up once, how much beef do we buy? Three thousand carcasses a year—that’s a lot of meat to feed the institutions and stuff. It’s bigger now, but in those days that’s a hell of a herd of cows. Well, when you can buy in quantities like that and they’re getting into your business, you’re going to get some real good prices.

I remember having quite an argument with IBM. We were investigating every possibility and the IBM

people were expanding at that time—we weren't computerized like today, but they had a feeling that they could set up something there, where I'd be able to do a much better job. So, I said, "Look, I'll give you a month; I'll give you access to the department. You go through everything we've got here and if you can come up with something that looks to me like it will save the state money, I'll buy it. But, I've just got to have it down in detail. The thing I want you to understand is, we don't decide how much is going to be purchased, we have nothing to do with that, the Purchasing Department takes a purchase order from an institution and if they want three thousand pounds of coffee, I don't inquire to see whether they drink four cups a day per inmate or one cup a day or what; that's not our business. Our business is to get three thousand pounds of coffee of the right quality at the best price. Now, to get from that purchase request to the purchase order, that's our problem here." They worked a whole month and they came back and they said, "Charlie, we can get you all kinds of information, but we can't get you from here to there any quicker." They were honest with me. So, we didn't go that way, we went a different route and we found that we could buy—well, let me back up and say that one of our biggest problems were errors in computation that would always cause us an awful lot of work. We bought a bunch of typewriters that were called Computypers, I think it was. If you punched in a number and a multiplier, it did the rest of it; it multiplied it out and finally totaled the column and everything. We put in a bunch of those and did away with the punch card system and the punch card verifiers. I'm just throwing in some of the things that we thought were imaginative that were done. They used those old typewriters there, God, I think for fifteen or twenty years, until they just fell apart, before they found anything better. We also, instead of using carbon copies on all this stuff, we quit the carbon copy deal; everything was an original. And we put in an automatic collator, which was new then—a mimeograph, in effect a duplicator machine—and so everything was an original. We didn't have carbons and the amount of typing time that was saved was immense, because to correct a mistake on a carbon was six or seven copies which a lot of them required. It was just a terrible waste.

So, I enjoyed this. I mentioned some of these things because it was kind of fun. It was just like starting up something new and doing it better or something old and revamping it and doing it better. There were many things of this type that I could go into, but I think the important thing is, from this standpoint, is that over this period of three years that I was in there, we had other duties that I want to talk about. But as far as purchasing is concerned, we practically eliminated any contention about the fairness of the system.

There were things that got into the news like the light bulb contract that there was a lot of fussing about. It happened that just prior to my taking over there, they had entered into a contract—had bids out for light bulb supply for the state—which is pretty substantial when you think of all the neon lights and everything else that

are in the various offices; a pretty good-sized contract. This guy that had the contract had written a contract with Westinghouse in which they couldn't raise his prices on light bulbs as long as he had the same contract. Now, this is kind of funny that Westinghouse would do this, but as time went on—and as you remember in that period prices were going up—we were able to renew this contract and as long as we renewed it and it remained the same contract, he didn't pay any more for his bulbs and we got our same price. So, we were getting light bulbs for less than the wholesale cost that Westinghouse charged all the other supplies for the same bulb. And they really raised hell about it; there was quite a fuss raised about it.

**Mr. Rogers:** It was their own contract however, with their own representative.

**Mr. Hodde:** Well, yes, but the non-Westinghouse suppliers were very unhappy with it. So, I know on one occasion, when the year was up, I called them in and I had six or seven of them sitting around in a circle in my office and I said, "Look, if any one of you will just give me assurance that you'll give me an equal bid, I'll put it up. You don't have to tell me you'll underbid him; just tell me you'll give me a bid." They said, "Charlie, you know damn well that there ain't none of us that could give you that good a bid, but it's still unfair." I said, "Well, the state's got too much money in this to junk it." The interesting thing is that after I left the department, the fuss continued over this light bulb contract. They went to court and the court ordered the department to bid it and they bid it and paid a hell of a lot more money for the light bulbs. But, the court said that it's a violation of the law to continually renew this contract. Well, there are all kinds of things like this, and the department in the future did get restricted somewhat on negotiating, more than I had restricted it, because the state does pay too much sometimes, because of the fact that in order to comply with the requirements, they make it more expensive for the supplier.

One other thing that's of interest that we discovered we had to do, and it sounded unfair too, but we had to do it. We felt it was our obligation to supply the state as cheap as possible, so when we wrote a lot of contracts for various kinds of merchandise that the state needed, we did it on a requirements basis. In other words, we didn't guarantee to take a certain quantity, we just said if you will furnish us with typewriters—whatever—to our specifications, we'll buy all our typewriters from you for this period of time, whatever we need. We had some small outfits that would come in and bid on certain types of supplies and it might exceed all their other business put together. Then, as happened in one case, I forget the commodity, but the federal government was declaring a lot of stuff surplus and the state could get it for almost nothing. We'd furnish it to institutions and stuff whatever it was—paint, you name it—for about five percent of cost.

**Mr. Rogers:** War surplus materials, too.

**Mr. Hodde:** Yes, war surplus material, largely. It happened this guy had barely stocked up and set up to supply us, when the government made the particular supplies he was furnishing to us at no cost! So, we took them. Our needs to him were zero; we bankrupted him, you see, and I said we're just not going to do that. So, we put a rule in that we would not purchase from any supplier, where the state's purchase would exceed twenty-five percent of his business. We just didn't feel like we could induce the little guy to come in and bid and then bankrupt him, because the state could get it cheaper somewhere else, or didn't need it. There were a lot of things like this that were extremely interesting, but maybe that's enough on purchasing.

I should say that we did make a few changes in personnel. I believe there were two buyers that were encouraged to find other jobs. We did not find anybody that we could file a criminal complaint against, where they'd actually been paid off by buyers. We did cut down very substantially the amount of Christmas gifts they got. A good human-interest standpoint was that, we made a rule that they could only accept gifts that could be consumed on the premises; they couldn't carry anything home. That cut down a lot on the wine, also, that no intoxicating liquor could be consumed, and it saved the vendors a lot of Christmas worry. I know the banking department—not purchasing—called me in the first Christmas I was there, and they had a stack of packages that were probably about four by four by five feet high of Christmas gifts that had come in and they only had about a dozen employees or less. So, I said that's got to stop, so the Salvation Army had one of the biggest Christmases of their career when we hauled the General Administration's Christmas stuff down to the Salvation Army.

**Mr. Rogers:** To the needy.

**Mr. Hodde:** To the needy, yes. We really had problems like that that were fun to work on, but a little hard to deal with.

**[Tape Ten, Side Two]**

**Mr. Hodde:** Another part of General Administration's obligations was the Buildings and Grounds. One of the most interesting parts, things that I inherited when I took over the department, there had already been requests for bids put out to put an addition onto the General Administration Building that would be six stories high, two stories higher than the present building and cover the parking lot that was just back of the General Administration Building. The bids were on the basis that they would be built by a private party, but it would remain state land and at the end of the thirty-year lease, then the state would get the building. Actually, the rate of payment that they wanted for rent was, in my opinion, too high, because we were renting space for less money from private parties. I—after studying quite a bit—I went to the governor and said, "I don't know if there's anything crooked about this or not, but I'm very uncomfortable with it and besides, I don't agree

at all with where they want to put the building. It would mean that the better office sites that are in General Administration on the side looking toward the Sound, with the beautiful view, would all be closed off. You'd have a screwy looking building with it two stories higher on one end. So, I said, "I'm going to cancel all the bids, because I think that what we ought to do is to buy land across the Capitol Way and take enough time to put the buildings up." Well, he says, "Charlie, you know we've got an order from the court to move our state offices that are now headquartered in Seattle, back to Olympia." I said, "I realize that, but I think if we make progress, get a bill through the Legislature to authorize the expansion, that we can get away with it and that we'll have a much better layout." I convinced him that it was a very poor proposal they had up there, both financial and otherwise. One of the things, we would be furnishing the heat for the building from the then present Capitol heating system, so that wouldn't go in there. My advice from my own architects and others I talked to, was that we could build a brand new building with its own heating system, better quality, with lots of room and probably only about two-thirds as much rent as we'd be paying on that one. Well, the thing that was most interesting about it was, when I announced that we were not going to accept the bids and we were going to cancel the whole project, just a few days later my chief engineer, Clyde Finn, came running into the office and he was running—literally—he said, "There are some gentlemen here from Texas that have got to talk to you." I said, "Well, who are they?" "Well, they're the ones that were really behind the bids on this new addition, the building." I said, "Bring them in." He brought them in and introduced them and ran like hell, he didn't even stay, and I always wondered how much he knew about what had been going on. But nevertheless, if he was sucked into it, it was done through the director, I'm sure, not his. But, they sat right there, Jack, and offered to cut their bid a dollar a foot for rent, if I would negotiate and continue that. I told them, I said, "You know, I was sure it was a bum bid when I first looked at it and now I know it so well, I wouldn't deal with you under any circumstances." "Besides," I said, "My real reason for canceling is that I don't want that building there. You can make it personal if you want to, but you're going to build a new building right in front of my window. No way."

Anyhow, they left and I never heard anymore about them, but we did put a bill in the Legislature and we kind of got stalled there for a bit. We began to wonder whether there were some of the legislators in on this deal, but we finally got together and we got a bill through that would allow us to go in and buy property across there (Capitol Way). Henry Dunn, a gentleman I need to mention, because he was a great, great help to me in this particular time, because he was my real estate representative, he handled all the leases for the state. I put him in charge of purchasing this property. We had all the property we wanted, which is the area generally all

from where the Employment Security Building is at Maple Park, clear on down to where the Highway-Licenses Building sits now, that whole block, two blocks deep in that whole area in there is what we're after.

**Mr. Rogers:** Is that known as the East Campus?

**Mr. Hodde:** Well, yes, the East Campus is bigger now, but it didn't go back as far as where the Highway Building is now.

**Mr. Rogers:** The new Highway Building.

**Mr. Hodde:** But, it took in all of that area through there. So, Henry went out and we were negotiating it, because we couldn't go through condemnation; we just didn't have that much time. We had appraisals on all of them. I said to Henry, "All right, you try to get it for the appraised price or less and if you can't, why come back to me if you have to go any higher. We'll handle it one way or another." Well, we had some funny things happen. We really walked through a lot of it, because the appraiser evidently had gotten it high enough, because we weren't having any trouble buying most of it and the funniest instance, I think they're both dead now, so I can mention it, Cliff Yelle was the (state) auditor and he had a brother who was Clem Yelle, who was his assistant. Clem had a house in this area and I told Henry, I said, "Now, when you talk to Clem Yelle, you be extremely careful, because if there's anyplace that we could get into trouble, it'd be by overpaying a relative of the state auditor who would be the one who could check our work. We've got to be very careful of that." So, Henry went to see Clem, had his appraisals and everything and I never got over laughing about this and I'm sorry I couldn't have told it earlier. Clem looked at him and said, "I don't even care what your appraisal is, I know what I want for this house and if you're going to get it, you're going to pay it," and he quoted him a price. It was several thousand dollars below the appraisal. Henry said, "Well, I'll have to talk to Charlie about it. I can't just do it right off hand." He made it sound like there was going to be some doubt about it and he came back and talked to me and we laughed a little while, he went back and he said, "Charlie said we'll pay it." In those days you didn't have to make your appraisals public. Now if you have a public appraisal, you're buying property; you have to give it to the seller, the information.

Well, then we had a couple of other toughies. We had a guy named Steele who was in the Legislature, Senator Steele. When they passed the Liquor Act it was called the Steele Liquor Act. Steele had a nice home that we needed very badly and he just told me repeatedly, or told Henry Dunn, he says, "I don't want to move. I don't care what's going on. I'm almost eighty years old and I'm just not going to move. Why should I?" He didn't argue about the price, he just wasn't going to move. So, I told Henry, "Well, I guess I'll have to go talk to the Senator. I've known him for a long time, since '33." And so I went to see him and we sat and visited for a

while and finally he says, “Charlie, I tell you, I’m going to sell it to you. I just don’t know why, but I’ve got this place out on the bay and I guess we could move out there and I don’t want to be the one that holds up this whole development.” So, we were able to buy him. It turned out when I came to talk to him, we talked about old times a little bit and we were able to make it.

Another one, the third one though, that was very difficult, we were not able to make a deal with. There was an old house that had been partly constructed right on the corner that we would like to have; we needed it to block it out. The old gentleman worked for the Highway Department that owned it, and it had sat there for over twenty years, half completed, because he got into an argument with the city, because they wouldn’t let him do something that he wanted to do. It looked like it was going to be a pretty nice house. And there it had sat all those years, and he was just paranoid on it; he wouldn’t finish it, because they wouldn’t let him do what he wanted to and he wouldn’t sell it. He said, “It’s going to sit there, an eyesore for the city, just as an example of how unreasonable they are,” and so on. So actually, the Highway-License Building stands a few feet farther south than it was intended to be, because we could not acquire that. We had to condemn it to get it and we couldn’t delay construction, so we moved the site plans something like ten feet or so farther south in order to be able to bulkhead his lot on the corner and not intrude on it until we could get through court. All the rest of the property we acquired. I had quite a discussion with Amanda Smith who was mayor at that time. She had a four-unit apartment building there and that was one of last ones we made a deal on. We paid Amanda all it was worth. I’ll say that, but we were right down to the wire and we never got any complaint on it, but she got a little bit more than the appraised price on it, but not outrageous. She had a good argument, she had a good income off of it, right by the Capitol; how could she do better? So, she thought the appraisal was too low and we finally made a compromise about it. But then, Amanda saved us a lot of money. I want to mention this, because very few people know about it and I guess it was my style of dealing—the old farmer’s way to dicker, I guess—but when we started to build there, we had a lot of dirt to get rid of, all the excavation for the underground parking there and it looked like it was going to cost us a lot of money to haul that way out in the county somewhere where we could dump it. I went and talked to Amanda and said, “You know, Capitol Lake has got this mud flat right down here below town . . .”

**Mr. Rogers:** Short haul.

**Mr. Hodde:** Real short haul, and I said, “I’d like to put—I don’t know how many thousand yards it was—of fill in there and let you make a park,” down in that spot there right below Legion Way. We talked about it a couple times and had lunch together and she said, “I think that’s a good idea; I believe I can go for that.” So, we made a

deal. Now, the state didn't do anything but fill it; the city did the rest of it. We put the fill in there and I've often thought, Jack, today they wouldn't let us do that, probably—fill up the water front that way with dirt—but we saved a lot of money for the state in getting rid of the dirt and the city got the fill in for what's become a very popular park right in the middle of town, practically.

Those were some of the interesting things that went on in General Administration. The acquisition of the East Campus I think was a good stroke of business. There were some properties that we purposely passed up, a large apartment house that was bought several years later and of course, later on they expanded the East Campus out quite a bit farther. We had quite a bit of argument with the architects on construction on the site and that was some of the unhappiest part, because I was not able to get my ideas adopted into the planning of how the buildings were located. I wanted them facing the campus. The architects wouldn't go along with that; they said they won't be like the other buildings. They should be separate completely, which is the reason they face like they do.

**Mr. Rogers:** They face the street.

**Mr. Hodde:** Instead of facing the street, they face each other across the park there, and it's not too bad looking. I was a bit disturbed and another element—they thought they were going to develop—well, they did develop—a very cheap building. Our costs on it per month for the twenty years to pay it off were only about two dollars a square foot and that's fantastic. The bids had been about three on that other thing I turned down. We got the Employment Security Building built for nothing; I think that ought to go into the record. Pete Giovane was director of Employment Security then and he was aware that we were going through these building plans and they needed more space and he says—I met him on the Capitol steps one day—and he says, “Charlie, you know there's money available enough to build a good big building, as big as Employment Security will ever need that is federal money that's available, and you can get it for nothing. I said, “That's very interesting; what have you got in mind?” What happened was that they had been able to under spend their allocations from the federal government on the Employment Security work to the extent that they had an accumulated balance—and I can't remember the amount, but I remember it was well over a million, it might have been a million and a half or two million dollars—that was going to revert to the federal government unless we had it obligated before a certain period of time, the end of that fiscal year I believe. I found out by talking to the Washington, D.C. people that this was true and so I got—I think Pete died before we got this thing all put together; he died that same year—but nevertheless, we had it going. We brought the people out from Washington, D.C. and they sat in my office and we figured with them every way we could to get the space requirements up. They co-operated marvelously,

because they wanted it, too. They wanted to spent the money; I wanted to spend the money and it wasn't costing the state taxpayer a dime and so we finally—I know where we ordinarily allowed like a hundred and twenty feet per employee, we got it up bigger. We put in storage space and everything. So, we got that building all built, we furnished the land, but the federal government paid for the whole thing.

In the Highway-License Building, one of my arguments with the architect was over the number of elevators. They only wanted to put two elevators in; they were going to be brand new automated elevators and they were going to be adequate, you know, for the whole thing. I said, "No way, I just won't go for that" and I finally made an agreement with them, "All right, you put three elevator shafts in, and I'll go for two elevators." Well, the fact of the case was that before we'd been in there six months, we had the third elevator in; there was no way they could get the people up and down. The excuse they gave us, "Well, if the people would just leave it alone, it would work." But, what would happen, they'd go down in these automated elevators and they had people waiting on the fourth floor that couldn't get on; they'd punch the fourth floor button, the damn thing would go clear to the fourth floor before it'd stop for anybody, and the people on the second and third floors never got a ride. They just had to walk down or whatever, but on the whole, it was really a pretty good thing.

Another thing we didn't like about it was they put the light system in so that about twenty-five percent of each floor was on one light switch; I don't know if they ever corrected it or not. People were always mad when they'd go by and see the lights burning all night, or when the janitors were working there, the whole building was lit up. The answer of the architects was that during all the months, practically all the months in the year here, there's some heat required and those lights make heat; you're not wasting electricity. Yes, but the public thinks you are.

We had a few problems like that, so it wasn't all fun, but it really was a great experience. I think that might be enough, except I want to just recite a few things that I reported to the governor on this period. We instituted the sale at auction of used cars and trucks and we felt that we gained quite a few thousand dollars in price over what we were getting as trade-ins on them. We did our gasoline bidding differently and we think we saved quite a few thousand dollars that way. I mentioned the lamp contract. We did quite a lot of changes in the way the thing ran, some of it developed out of what *The Times* had said. We think that in the whole that we were saving over a million dollars a year out of the fifty million, in other words a substantial amount in the purchase of the same items. We set up a surplus property section in which we got almost ten million dollars worth of federal property that had been declared surplus. A lot of which went to schools, hospitals and civil defense and other local government agencies. We planned and got under way the construction of the new

Archives Building, which was finished after I left General Administration, which is the one that's underground with the park on top at the present time. There were quite a few things of this type that we felt were pretty good advances.

I think the other thing I got that I should talk about a little bit, was that I became a member of the Toll Bridge Authority. The director of General Administration was a member of the Toll Bridge Authority by virtue of his office. However, the law was changed during the time that I was there, so I stayed on the Toll Bridge Authority for actually six years, and those happened to be the six years in which there was a great deal of expansion of Toll Bridge Authority work. I also had considerable to do with the ferry system, partly because I was General Administration director and partly the other. But, in the toll bridge deals, one of the main deals then was to get the second Lake Washington Bridge started. It had been felt that it would not be economic; there were all kinds of studies that indicated it would never pay for itself with tolls. I finally made a deal with King County. Ed Munro was on the County Commission up there—I guess they were at that time, and we entered into a contract . . . let's see now, I think maybe it wasn't Ed either, but we did make a deal with them that they would guarantee, I think it was up to \$700,000 a year of county funds if the tolls were not sufficient in order to be able to sell the bonds properly. We got the bonds sold and we built the bridge and the county never ever put a dime in; the tolls exceeded revenues so much over what had been anticipated that they paid off way ahead of schedule.

**Mr. Rogers:** It was my recollection that Rosellini, the governor, made a decision about where that bridge was going to go. It'd been debated widely that it should parallel the first bridge at Mercer Island and he finally said it was going to go up at Evergreen Point by the University and cross there, and the work began.

**Mr. Hodde:** Well, I did a lot of work on the Toll Bridge Authority. One of the most interesting one that I should mention, because it's historic, the Hood Canal Bridge was also authorized while I was on the Toll Bridge Authority and people that have watched this know that the first contractor after he was well along with the work, had some pontoons sink and one thing and another, and he said, "It can't be done." He just wanted to quit. But we had to settle with him. We went out for bids on completion, we got another contractor lined up, but we had to get this other contractor off the job and he wanted something like a million and a half, two million dollars in damages for expenses he'd had. So, we weren't getting anywhere and finally Rosellini called me in and he said, "Charlie, I'm going to put you in charge of negotiating this thing and they've agreed that they'll get together and we'll sit down, you representing the state and this other guy with his supporters representing the contractor and you'll just stay in session until you get this thing settled." I said, "That's a pretty tough deal.

There's only one way I'll do it, Al." And he said, "What's that?" I said, "No lawyers in the room; they've got to stay outside. If they want to talk to their lawyers they can go outside and see them, but they're not going to get into the discussion."

**Mr. Rogers:** And Rosellini was a lawyer in those days.

**Mr. Hodde:** He was a lawyer, but he knew what I was talking about. So, we agreed to that. Bill Bugge was the director of Highways, yet at the time Bill was telling me, when we were going in, "Charlie, it's useless. They'll never agree; there's no way we'll get anything done." I said, "Look Bill, just let me work on it a while." Well, we started in there, and we actually spent seven hours without a break. They brought us in a little juice, stopped and talked to their lawyers every once in a while, worked down through their agenda one by one. I'd give a little here and give a little there and we ended up—and I wish I could remember the guy's name, I don't right off the top of my head, that represented the contractor—but at one stage, there was a lull for something, but I found out that his son was playing in a football game up at Shoreline or somewhere over on that side of the lake there, either Shoreline or Bellevue, somewhere out in there that evening. He wanted to get home in time for that football game, and I know how important a son's playing a football game can be to a father, and I may have taken advantage of that. This guy was up and it was getting toward evening and he was just pacing up and down the floor, swearing and, God, just raising hell. I said, "You know something, I'm going to penalize you ten yards for that." He looked at me so funny, he laughed, he sat down and we went to work. I said, "You know, if you want to get up there and see your son's football game, let's just get down to business and settle this thing."

**Mr. Rogers:** Begin to agree a little.

**Mr. Hodde:** Yes, okay. Anyhow along about six o'clock in the evening, we reached an agreement, which was really—we agreed to pay them about \$500,000. They agreed to drop about that much in claims they had; there was almost an equal amount that we had not agreed on and I finally said, "Look, I tell you what we're going to do—and I don't see any other way out of this—we'll pay what we agreed to, you drop what you agreed to drop and we'll give you the right to go to court on the rest of it. We won't pay you, but we'll give you the privilege of going to court on it." So the guy took it and we made our settlement.

**Mr. Rogers:** Did he ever go to court?

**Mr. Hodde:** Never went to court, never had to pay a dime of it. And when we left, Bugge said, "Charlie, I don't know what they're paying you, but you saved the state at least half a million, maybe a million dollars today." But, we got rid of him (the contractor), and so we did get the bridge built. Well, of course it lasted nineteen years and I don't know yet why it sunk when it did, but it was interesting that I got a call from the press—I was

the only one that they could find that had been on the Toll Bridge Authority at that time—and they said, “Aren’t you sorry now that you built it?” And I said, “My God, after nineteen years and you’re trying to blame me for it! I don’t know who’s to blame, but I think that’s hardly fair.”

**Mr. Rogers:** Well, it was rebuilt and it’s in good condition today and serving the public again.

**Mr. Hodde:** Yes, but it was a very interesting deal; it was an extremely different thing than building across a quiet lake. We had other toll bridges that we authorized or got built or started. The one down at Astoria was during that period of time; the only one that really never did pay off well was the one in Spokane, which is inside the city.

**Mr. Rogers:** The Maple Street Bridge?

**Mr. Hodde:** Was that Maple Street? I think it is Maple Street, yes. But, they always had difficulty with their payments there. The Biggs Rapids Bridge was another one, and the one down by the Hanford Reservation—I can’t think of the name of it right now—the second one across to Portland. I always laugh about that one, because we decided to make the tolls two-bits on there; fifteen cents was enough to pay it off, but it was my suggestion. I said, “Who wants to make change all the time like that, put out tokens. Why don’t we make it two bits; it won’t change the traffic a bit.”

**Mr. Rogers:** That’s one coin instead of two.

**Mr. Hodde:** Yes, right, you’ve got a single coin see, and they went along with it, and then I moved down there and I paid that two bits for about five years! My smartness there backfired a little bit. I lived in Vancouver and crossed the bridge to Portland all the time.

**Mr. Rogers:** That brings up the fact that you later did some work for the federal government in various places.

**Mr. Hodde:** Yes, we’ll get into that at another time; we haven’t really talked much about the last four years of Rosellini’s administration. Actually, I was in the Tax Commission in ’57 and ’58, till December 10<sup>th</sup> of ’58 when I went to General Administration. Then I stayed in General Administration until February 1<sup>st</sup> of ’62, which was—let’s see, the election was in ’60 and I was in General Administration another year after, then went back as chairman of the Tax Commission for the last three years of Rosellini’s administration. There was quite a bit that went on during that period that I think we’ll want to spend some time on, Jack. That’s some information that I can talk about on that. Going back in as chairman of the Tax Commission, I became involved in some things that I had not been involved in before. One interesting historical thing is that at that time and for many years previous to that—many administrations previous to that—the inheritance division had required the appointment of three appraisers for any estate of any size that was taxable. The Tax Commission chairman made one of these

appointments, and the court made one, and the heirs made one. The people appointed by the Tax Commission chairman received a fee, a tenth of one percent; that meant that if it was a million dollar estate, the appraiser got a thousand dollars. If it was a hundred thousand dollar estate he only got a hundred dollars and of course, some of them even smaller than that, he didn't get very much. But, it was the best patronage plum that the governor had and don't think it wasn't used that way. Langlie for all his church leanings and everything, profited highly from it; all of them used it and so we were using it also. We were making these assignments and that was one reason . . .

**Mr. Rogers:** You mean that Langlie's appointees received the fees, not that Langlie profited from it.

**Mr. Hodde:** No, Langlie didn't receive the fees; his political contributors, his county chairman and all of them used it.

**Mr. Rogers:** It was a quiet scandal.

**Mr. Hodde:** Well, really you're handing it out to them and they handed part of it back. It was the closest I ever got to that kind of activity. I was reputed to be the best campaign fund raiser that Rosellini had, because this got to be quite a bit. I know one year I turned in \$75,000 in campaign contributions, because they'd send them to me to forward them to the campaign committee, because the appraiser wanted me to know that he was on the up and up.

**Mr. Rogers:** Sharing the fee.

**Mr. Hodde:** Right, they weren't required to, but they certainly were expected to; it was historic. So, I recommended when I left the Commission at the end of Rosellini's term that the practice be discontinued and all the appraisals be appointed by the court. George Kinnear, my successor, went along with this. George was a very excellent person and a very ethical person, and of course, he also got another recommendation of mine passed by the Legislature. That was to do away with the Tax Commission and put in a Tax Appeals Board and have a revenue director. Operating as a chairman of a commission, even though you pretty much ran it, you always had to stop, and wait, and go, and get the approval of the other two and if you didn't keep them filled in on everything that was going in, then they had a right to be miffed, because they were supposed to be in on it, too. So, I think the system of having a director and an appeals board is much better.

**Mr. Rogers:** The Department of Revenue made some important changes, I know, and I think for the better.

**Mr. Hodde:** Well, actually when you sat as an appeal board, which is what we did . . .

**Mr. Rogers:** After the taxpayer was appealing.

**Mr. Hodde:** Yes, you made the decision and you listened to the appeal of your own decisions.

**Mr. Rogers:** Reviewed you own decisions.

**Mr. Hodde:** You certainly couldn't be considered unbiased.

**Mr. Rogers:** Well, taxpayers would think it was a little bit unfair that they had to get through the process twice.

**Mr. Hodde:** They had a right to, because you're talking to the same people.

**Mr. Rogers:** You got that changed, also.

**Mr. Hodde:** Sure, you can still appeal to the director of Revenue against the decision of subordinates, but that doesn't take away their rights to appeal to the board if they don't get an adjustment. So, that's generally the way it's followed now.

Going back as chairman, I got very deeply involved in many of the activities. I remained as a representative in the Legislature on practically every problem that came up, and so I branched out into a lot of activities that normally wouldn't have been the Revenue director's responsibility.

**Mr. Rogers:** A lot of people thought that Rosellini was going to be a governor who spent heavily, but what was the truth of the matter?

**Mr. Hodde:** He was a tightwad!

**Mr. Rogers:** He got a reputation around Olympia, among the people in the various departments and agencies, of being a hard man to deal with when the dollars were considered.

**Mr. Hodde:** Yes, he was, and he was tight with the departments and all. When you went to him to get something increased in you budget, you had to prove it. I give Warren Bishop some credit for that; Warren is a very good operator and he became both his budget director and his chief administrative assistant. If there was anybody that had more influence than Charlie Hodde, it had to be Warren Bishop, because he was right there with him all the time answering the phone and everything else. I think that there were some things that I proposed that were later adopted, that maybe might deserve some mention in relation to the budget. I mentioned the Budget and Accounting Act; we were running a deficit, even through Rosellini's later years. There'd be periods of the year when our general fund would be in deficit; it'd be in surplus usually around September or October we'd have a surplus in the general fund. Then by May or June, we'd be in a deficit position of several million bucks again. I remember being on a trip with Rosellini in 1964 to Spokane; we were flying back on the plane and I said, "Al, if I'd tell you how to eliminate the deficit completely and permanently without any increase in taxes, would you be interested?"

**[End of Tape Ten]**

# TAPE ELEVEN

---

## [Tape Eleven, Side One]

**Mr. Hodde:** He said, "Sure, I would." I said, "Well, I've been doing some studies and I've determined that the way we pay out our school monies to the state's portion of the school support to local school districts is the reason that we run this funny pattern of having a deficit part of the year and then a surplus another part of the year. It comes out of this fact that we pay all the school money out to the school districts in ten months, September through June. They hire their teachers by the year and pay them for twelve months, but many of them pay the last three months all in June instead of through July and August. I don't think that's necessary. What has happened is that when we are in the hole fifteen or twenty million at the end of June, the school districts have a surplus in their treasury; when you add them all up it was as much as thirty or forty million." And I said, "If we paid that money out over the twelve-month period instead of the ten-month period, we would of course save—in the first biennium we did this—we'd save more than the deficit; we'd save two months' payments in that fiscal year and then from then on we'd be running from a cash basis standpoint." Well, he listened attentively; I don't know for sure that he understood it entirely, but after some further discussion with other people, we decided to propose this. We got some real flack from the school districts that had enjoyed—and even the local governments—who had enjoyed these surpluses of state money that came into their treasury. We didn't get it done and it was recommended by the governor in his address to the Legislature when he was leaving in the '65 session. I had tried to sell Evans on some of these programs when he was in the Legislature earlier, but he finally went halfway with the Legislature. They went all the way as far as changing it to a twelve-month system, but he utilized about twenty million of the saving, rather than finding any money or cutting programs, and twenty million was enough to reduce the deficit, so in effect with the Budget and Accounting Act like we had, we practically eliminated the general fund deficits from then on. We haven't had them except for very short periods, or very short situations.

Another piece of legislation that I think is being discussed a little again now here in 1986 that was one of my proposals in the late sixties was to set up a benefit district to support the ferries and bridges over Puget Sound, a Puget Sound benefit district. I still think today that we might have gotten that through in '63 or '65 if it had

not been, that in order to try to gain support, we put Yakima in with the Puget Sound counties and proposed that part of the money raised by this benefit district would be to build the tunnel—the Naches Tunnel—so that they'd have year 'round transportation. That was before White Pass was finished, I believe. Anyhow, they were pretty much strong for that at the time and we just ran into too much opposition. The proposal was that we add up to a cent gas-tax in the Puget Sound region. The argument in favor of that was that gasoline was cheaper in the Puget Sound region than the rest of the state and so would not displace any purchases and that by having the whole public support the ferries and toll bridges, we could take the tolls off the bridges—like the Hood Canal Bridge and the Lake Washington Bridge and those bridges—and support the repayment of the bonds totally from this gas tax revenue and also pay for all the capital costs on the ferries. We would not use it for operating revenues; the ferries would still pay their operating revenues. I think it would have been a good program and I think Representative Walk introduced a similar bill in the Legislature this last session. There's a valid argument in favor of having the bridges free and the ferries cheap when you talk about the benefits to business and people, generally that doesn't have any regard to whether they ride the ferries or not. The people who ride the ferries do business with them. Transportation would be loosened up considerably and I still think that's something that may come up again for consideration.

One of the big deals was—almost always was—development, economic development in the state during Rosellini's administration. We had the Commerce and Economic Development Department established during that time and they did quite a bit of work, but one project that I'm not sure, in the past, if it was the best project to get, but it illustrates how we worked on things of this type. Our efforts to get the Intalco Aluminum Company to locate up in Bellingham, which was going to be an investment of a hundred-million dollars or more and employ quite a few people. I got quite involved in this and came up with a legislative proposal, which eventually may have been most likely the reason they decided to locate there instead of in Oregon or Louisiana or some other eastern state. That was to allow them a credit for sales taxes paid on construction by reduction of their business tax for up to fifteen years until they recovered it. This was one of our first efforts toward inducing industry by tax concessions. I made a trip back to New York with Governor Rosellini for purposes of talking to these people about this and had put together what I thought was a pretty good presentation in regard to the cost recovery. They were pointing out to us that they could build in Oregon for the same construction cost, and everything were almost identical, except they had to pay a four percent sales tax up here, so their costs were four percent higher on the construction, so this was our answer to them.

A little story—I don't know if Al Rosellini will appreciate this or not, but it's a good story. Al had gone on

back for some other meeting and I was making a major speech at the Democratic Convention in Spokane in '64 and so I went to that and we were to meet in New York. A representative of the Commerce and Economic Development Department was already back there, and he had made reservations for us at the New York Hilton, a pretty fancy hotel. When I got there and got to the hotel, I found out that he had made a reservation for a suite, probably the President's Suite or whatever they called it, about a fifteen hundred square foot suite for \$125 a day. Well, our allowance for expenses was sixteen dollars a day and the governor and the director of Revenue didn't get any more than anybody else, so there would only be three of us, me and the governor and the governor's bodyguard, a patrolman that traveled with him all the time. So, I said, "No way we can do that; if you can't do any better than that we'll have to go across the street to the American," or whatever it was, "I'll just have to look around." Well, they went and got the vice president—they called him anyhow—and he took me up and showed me the suite and it was swell, I'll tell you. It had a bar and it had three bedrooms and a big living room type thing, quite a complex. The governor wasn't going to get in until about midnight and we had to be out at the other meeting at eight, it'd be a terrible waste of space.

**Mr. Rogers:** Short tenure in the room.

**Mr. Hodde:** But, anyhow, he said, "Could you stand seventy-five dollars?" I thought, well, hell, I want to get out there to the World's Fair, sure, and I just figured Charlie was going to pay for it out of his own pocket. This gentleman that had met me from the Commerce and Ec and I, we went out to the World's Fair, which had just opened that week. We were to meet Rosellini at the Kennedy Airport, I guess it was, anyhow at the airport—maybe it was LaGuardia then, I believe—around midnight. So, we stayed out at the fair until ten o'clock and we were dead tired, couldn't have been any more tired, I don't think, and then we went and met the governor and hauled him down to the hotel and showed him where we were going to be staying, and I went to bed. I was just dead tired; I'd flown in that morning . . . I couldn't have taken it at all today, Jack, but next morning we get up and go down to check out. I've got the key and I just figure here goes Charlie's seventy-five bucks, you know. The governor says, "Give me that key," and I said, "My God, the world's coming to an end," because we'd mentioned that Rosellini hardly ever carried any money with him; he let the other guy pay it. Most governors are that way, they can't . . . Anyhow, he walked over and turned in the key and they brought him the bill and he signed it "Commerce and Economic Development, by Albert D. Rosellini, Governor," and they took it! "Okay," I said, "boy, you're off the hook!" We went on down to Washington then to meet with Lyndon Johnson, which is kind of interesting, too. We didn't really have anything to talk to him about, but his campaign was on and we had this deal to tell about up . . . we had good luck in talking with the people that day and we went down to

Washington, D.C. and Rosellini was wondering, “How do we get an appointment with Johnson?” I said, “Just tell him you’re the governor, that’s all you have to do.” He did, and well, he got an appointment. So, we went down there and we were waiting and I had a little L.B.J. silver pin that I’d gotten over at the State Convention that I had on the lapel of my coat. We were sitting there and the guy that was waiting to take us in noticed it—they were real sharp about that. So pretty soon it came our turn and we walked in and Lyndon Johnson was on the phone. We’d just gotten there in time to hear him say, “That’s the last Goddamn person I want to see today, I’ve got too many already!” Just SLAM! I thought, boy, what a time to meet the President. He turned around just as pleasant as he could be, “Hi, Governor Rosellini! Who’s this you got with you? Where’d you get that pin?” The fellow with the camera up there; he’s shooting pictures just like mad, getting our picture with the President.

**Mr. Rogers:** The consummate politician, Texas politician.

**Mr. Hodde:** Pretty soon, “Thank-you for coming in governor!” We never got to say hardly a Goddamn word about nothing and we’re out again. But we got our picture taken with the President, so we could use them in the campaign. But he did notice my little L.B.J. pin, “Where’d you get that?” He turned to Dean Rusk who was there, the Secretary of State, and he said, “We’ve got to find out where to get them, those are beautiful! Let’s get a few thousand of those.” Then away he goes back to his office; that was the funniest meeting I ever had with a President, I think. I don’t know how the governor expressed it, but I know he was almost glad to get out of there after he heard how the President was cussing over the telephone, because there were too many people to meet. But, Intalco did locate up there . . .

**Mr. Rogers:** That’s up at Bellingham.

**Mr. Hodde:** Yes, and the only reason I mentioned—maybe it wasn’t a good thing—is that they do benefit from getting special rates that are given to industry by Bonneville. At one time we thought, “Well, we’re going to be short of power and maybe we shouldn’t have had them.” However, at the present time we’ve got more power than we can use anywhere and we just hope they stay.

**Mr. Rogers:** It was during the Rosellini years that the state of Washington had a World’s Fair in Seattle, 1962.

**Mr. Hodde:** Right, and we should mention that, because that took a lot of promotion to get that thing going. It’s remarkable that—I don’t know who gets all the credit for it—but it was very well managed. It was about the only World’s Fair that’s ever been held that made money; didn’t go in the hole.

**Mr. Rogers:** They had a commission that worked on that, as I recall.

**Mr. Hodde:** Yes, they did. I was up there a number of times and I think it was a beautiful project.

**Mr. Rogers:** And a financial success.

**Mr. Hodde:** And it cleaned up a part of Seattle that needed it; that old Denny regrade was a junk heap.

**Mr. Rogers:** And they're still using many of the buildings.

**Mr. Hodde:** And it really was a great asset. That's one thing that the Rosellini administration was involved in that turned out to be a very worthwhile project. I don't have any particular stories about it; there are some, but the thing that surprised us most was when we thought the business was about dead, at the end of August, because people wouldn't be coming anymore, because they wouldn't be bringing their kids, they'd be in school. And the attendance got bigger and bigger and bigger and about the biggest day we ever had I think, was the next to the last day before it closed. There were a hundred thousand people that showed up in one day and that was a lot of people to put on about twenty acres of land. That was a very good project.

During this period, I got around nationally quite a bit too, Jack, because I was a director and ended up vice president of the National Association of Tax Administrators. Later on, which we might talk about another time, I was again a member of that association and vice president during Dixy's regime. But, it always seemed like the governors I was working for always went out of office just before I got to be president, just the year that I was due for it. Because, like a lot of organizations, they started you in as a secretary and . . .

**Mr. Rogers:** Go through the chairs.

**Mr. Hodde:** Go through the chairs and work yourself up; it took about four years to work up and if you didn't get started right away, you never made it. But that was very interesting, because I had contacts with a great many people all over the county.

One interesting thing about the Intalco Project—just to throw a few stories in—they hired an accounting firm—I won't mention the name, because it's kind of a funny story—to determine where's the best place to locate it, and taxes were one thing they were checking on. So this gentleman came out here and he spent some time in Oregon and then he came up and spent some time with me. I was going through my usual routine of why this was a good place for them to be, on the basis of our low property taxes and they had a lot of property investment, and even though we had a sales and a business tax, and I thought I made a pretty good story—I don't remember what it all was now. Anyhow, he said, "I'd like to have that in writing," and so I said, "I'll do it for you." And so I wrote it up just like it was he writing it, as a report. I mailed it back to him in New York and he called me up and said, "Charlie, I think you're going to get the project. I'm going to file this report and I'm going to file it as my statement and don't you ever tell anybody that you wrote it." He said, "I like it and I'm going to use it." He did, and we got the project. I was somewhat flattered when he said, "I can't do it

that good, I'm just going to use yours, verbatim, and I'm going to tell them it's mine." I met him later at some Tax Association conventions and stuff of that type and we got to be real good pals. He did a lot of this kind of research work for industry.

Just kind of winding up the discussion of the Rosellini years—his term, of course, ended in January of 1965, and I might just start off by saying that I was being asked by everybody, "Are you going to stay on with Evans? Is Evans going to keep you on as chairman of the Tax Commission?" So, the first thing I did rather quickly after the election, I called, I guess I wrote a note to Governor Evans-elect, and I told him that I would be leaving the department, that I had a feeling that a new governor coming in, and as important a department as that, that he should pick somebody that had been a supporter of his in his own party. In order that the thing would operate, he'd have full confidence in everything. Well, a few days later, he showed up down at the office with George Kinnear and at that time I didn't know, he seemed a little bit cool, but I'd always gotten along well with Evans. But anyhow, he brought George in and introduced George. Of course, I knew George; we'd served in the Legislature together, and said he would be the new chairman of the Tax Commission. So, then Evans left and George stayed and visited a little while. So, I recall one story that I have to tell on George, because he said, "Charlie, how diligent do you have to be about being here all the time?" I said, "Well, you won't have any trouble; you'll fine plenty to do." Well, he says, "For years I've always played golf on Wednesday afternoons," and he said, "Can I keep that up, is that acceptable?" I said, "You certainly don't have to punch a clock. You might find it a little difficult at times to get away, but you don't have to punch a clock. If you're director, you work overtime when you need it and that's it. Well, several months later, oh, at least five or six months later, after I'd gone to work for the federal government and I was back up there at one time, and George had called me a couple times about some matters, I dropped in to see him just for good will. I said, "Hey, by the way George, how's your golf game coming on Wednesday?" He said, "Charlie, I haven't been out a damn time yet." He found out that he'd bit off a full time job, no question about that. George was a good director, no question about that.

Well, after I left the Tax Commission, early in January, I took a temporary job with the Senate Ways and Means Committee and Warren Bishop did the same. Warren had been the budget director under Rosellini, his chief assistant, and the Ways and Means Chairman, Martin Durkan, wanted both of us to work for him. I told him that I had something else in mind, but that I'd be glad to do it if the session didn't last too long. Warren and I both, of course, had done a little shopping at that time; neither one of us was ready to retire and, incidentally, Warren ended up over at Washington State University, their chief budget person and still lobbyist for them,

though he's retired. So, I went to work for them (the Senate), and it went into a special session and that went on for a long time, and I finally just had to tell Martin Durkan that I had to leave. I had a job with the Department of Interior and I just couldn't put it off any longer. I think it was along about something like the middle of April when I did that; anyhow, I just barely got back to Washington, D.C. and then the earthquake hit Olympia. I'm not saying it's because I left, but it really shook them up. I wasn't here, but they told me the glass was falling out of the ceiling of the Legislature . . .

**Mr. Rogers:** April of 1965.

**Mr. Hodde:** Yes, I was surprised, I guess it would have hit some of them if it hadn't hit early in the morning, but at 8:15 . . .

**Mr. Rogers:** About 8:30 in the morning.

**Mr. Hodde:** There weren't very many people in their seats. There could have been some people hurt. I recall it very well; I think it's an interesting historical thing. It was later back in Washington, almost noon, and I was up in Julia Hansen's office—she was a Congressman—woman—then and the word came in, and the first word that came in sounded like Olympia was flat. You know, you tell them, my God, there's nothing left there. I got on the phone immediately and I was able to get my wife, Helen, at our place out here on the lake, and she had just come in the house—hadn't been fifteen minutes or so after the earthquake, and she told a story. She said she was in the car getting ready to go someplace and she just turned the key on and the car started jumping all over the garage and she thought it was something she'd done. So, she jumped out of the car and heads out in the driveway and here comes the tenant out of our place next door, rushing out of the house screaming, "The furnace blew up, the furnace blew up!" About that time Helen saw the earth going up and down in the driveway, oscillating actually, as the quake hit, and so she realized it was an earthquake. Then it quieted down, it only lasted a minute or less, I guess. But, she walked all around both houses and hadn't found any chimneys down or any broken windows and so I was quite reassured. Some of them back there, within ten or fifteen minutes after that you couldn't get a phone call through for hours, days practically. They didn't know what had happened to their stuff, but at least I could assure a few of them that it hadn't been as bad as it sounded, because our place wasn't particularly damaged. We had some broken dishes and a lamp or two, stuff of that type.

Anyhow, there were several things done in the 1965 session, while I was lobbying there, that I'd like to mention, that I think had a lot of effect on the state. During the Rosellini administration, I think I may have mentioned that I recommended to him that we change the method of paying out school money to twelve months a year instead of ten, and that that would eliminate the deficit in the general fund, because the schools, at the

end of June, when we're still showing a small deficit, were showing a huge surplus, because they would draw their twelve months of money in ten months. This didn't get done during the Rosellini Administration, but it was done during this session just after their close, on my recommendation, working with the Ways and Means Committee. I had a little trouble selling it to Evans, but he finally bought it, only they subverted it to the extent of using only that amount of the surplus that was generated. That way that was necessary to retire the deficit and use the rest of it budgeted for expenditure. So that it really was a split of about forty million, twenty million to eliminate a deficit of sixteen, seventeen million dollars, something like that as I recall, and the balance of it went into additional money for appropriation.

There were a number of other things considered during that time, some constitutional amendments that I think had a good deal of importance on the way property tax was handled. I won't go into details on them. We really were developing a cash flow problem that hadn't bothered before, because we always had a big surplus of gas tax money, but that disappeared, so then it got into the point where you really didn't have that big a surplus to work with. But, at least during the Rosellini administration, they did operate on less money than they took in, in other words, the budget got constantly smaller.

**Mr. Rogers:** The budget deficit got smaller?

**Mr. Hodde:** Yes, got smaller each year. I dug up a publication—I can't put the picture on the tape, but I'd like to show it to you, Jack, because it's one I had put together that shows exactly what happened. If you go back into '53, prior to the Rosellini years, the dark red ones are showing as the ones where the deficit was over thirty million and then there's a cross-hatched bunch, fifteen to thirty, and the less than fifteen is the white, and the black is a surplus. Well, you notice there were no surpluses in the treasury in any month until you got to 1960, before the first one showed up. By the end of the biennium in '64, there was only one month when the deficit was over fifteen million and in some of the years, almost half the years, were in the black, in other words. What I had discovered in doing some of this work was that the surpluses in the local school funds were going up at the same time that the states' were going down. Then you'll notice it was after the end of June, in July and August we almost always were in the black, because then we didn't pay any school money out for two months; we'd paid it all out in June. So, this was the kind of work that we did to . . .

**Mr. Rogers:** That's a very graphic presentation of that, I've never seen . . .

**Mr. Hodde:** Well, that was something that I thought was a big step forward. Now the schools did kick some, because they had enjoyed having that money in their treasury and drawing interest on it. But, most of them were talked out of it by the teachers. By the time July 10<sup>th</sup> got around, they'd prepaid the teachers for July and

August, they got their money two months ahead of time, they loved that, you see. But, I saw no justification for that, and then having the state in the red at that time.

Just as kind of a little summation of a few of the other points in the Rosellini administration, I think that if you look back over the whole thing, that the adoption of the Budget and Accounting Act in 1959 was one of the biggest ones, and that assured us that over time we would eliminate the operation on a deficit, because it requires, and it still does—that's the thing that forces them to balance the budget. Otherwise they'd still be running deficits.

**Mr. Rogers:** What your graph shows is that that Budget and Accounting Act worked out as predicted. It took a few years to do it.

**Mr. Hodde:** It did, it took a few years to absorb the deficits that had accumulated, but we never in the Rosellini Administration spent more money than we took in, in all that time. Part of it wasn't just that we had that mandate; it was the way we handled the allocation of money. We gave more authority, really, to the directors than we had before.

**Mr. Rogers:** And held them responsible for deficits.

**Mr. Hodde:** We held them responsible, we gave them quarterly allotments and if it wasn't used in that quarter, not the whole two years, but in that quarter, it reverted.

**Mr. Rogers:** It reverted on a quarterly basis.

**Mr. Hodde:** Yes, if they wanted to save some money, why they could, and it went back into the general fund and they couldn't get it out without a new allocation. So, there was quite a bit to it, more than just a flat "you can't spend more than you take in." The accounting of the state is a funny thing. We did some things during the Rosellini administration, besides this change, which we recommended and was done, actually the first session that Evans was in. There were ways that we could avoid our cash flow problem; for instance, we advanced the collection date. One of Hodde's proposals was to advance the collection date from the thirtieth of the month to the twenty-fifth, because when it was payable on the thirtieth, the state never got the money until after the close of the month. Taxpayers didn't like that, but in effect it allowed us to get cash in; that's twenty-five days after it was due, really, but it allowed us to get cash in. Later on—it was not a Hodde proposal—there was a so-called twenty-fifth month adopted in order to . . .

**Mr. Rogers:** Evans was credited with that, whether he fouled up or not, I don't know.

**Mr. Hodde:** Yes, well it had some justification, Jack, when you get into it. In your business, if you run a private business, you almost always use accrual accounting; it's the only way you really know where you are. The

twenty-fifth month amounted to nothing except accrual accounting. Now, the state kept its books prior to that in the very worst possible way, because we accrued all of the expenditures for the previous biennium through July, and so we charged them back . . .

**Mr. Rogers:** Back to the final, to the closed biennium.

**Mr. Hodde:** At the end of June, we might show a surplus of ten million dollars in the general fund, but by the time we charged back all the July stuff, then we had a big deficit for the end of June. So, the proposal in the twenty-fifth month was justified by saying, "We're going to accrue the revenues for the past biennium as well as the expenditures and if we do that, it's an honest balance." But it never sold politically, because basically, you were short of money in the bank and that's what we looked at. It was just like your wife might tell you, "You show a nice balance here—accrual—but what do I write checks against?" It's all out there in bills owed to you or whatever. So, that was one of the gimmicks that was used quite a while and did give them a big one-time lift. That's been abandoned now and been straightened out again.

I guess another thing I should mention is the World's Fair, which occurred during the Rosellini years, and I believe is still the only World's Fair they ever had in the United States that made money. It just was almost unbelievable that they could do it and yet it did come out with actually a little surplus.

**Mr. Rogers:** That was the World's Fair in Seattle in 1962, Century Twenty-one.

**Mr. Hodde:** Right. A very profitable enterprise from the standpoint of cleaning up Seattle, giving them a beautiful city center, which had really been a dump before. If you're familiar with old Denny regrade it never had been really anything but an eyesore. We—I say we, the department, or the administration—established the Commerce and Economic Development Department that still operates today and had some pretty good success in getting the people in. The institutions, when Rosellini took over, were in terrible shape. None of the mental institutions were accredited; when he left office eight years later, all of them were. We had riots at Monroe early in his administration, because the inmates had nothing to do except think up trouble. He got Dr. Heyns, who had actually retired from this kind of work back East, but talked him into taking another run at it, and he was a funny guy. You'd go out to play golf with him, you wouldn't think he could manage his own clubs, and yet he was one of the most excellent managers of institutions that the state's ever had. I got along fine with him and so did most people, but he brought them up to better standards than they ever had while he was in there. They've always been of some difficulty, and they are yet. The actual bonded debt of the state was reduced during the Rosellini administration, but that proved to be very temporary, it wasn't too long until the Legislature turned to borrowing again, because . . . And we were borrowing money during the

Rosellini administration, but we were paying it off faster than we borrowed it at the time. You remember that in the late forties we had borrowed soldier's bonus bonds and some that I'd proposed, even on institutions and schools and construction and stuff like that. But, we borrowed very little money actually—comparatively—during the eight years that Rosellini was there. Some of that was because we had fairly good economic times.

**[Tape Eleven, Side Two]**

**Mr. Hodde:** After serving with the Ways and Means Committee in 1965, I mentioned that I had gone back to the federal government to go to work for the Department of the Interior. That was an interesting experience. I'd worked with state government for a long time; my contacts with the federal government had not been extensive. You had some always, of course, but I went back there for an orientation, two weeks. The job was to be what was then called the regional coordinator for the Department of Interior in the Pacific Northwest. If you don't know it, I should tell you that the department had about eight different agencies—I'm not sure I can name them all—but it runs all the way from Indian Affairs, Bureau of Reclamation, and Bureau of Land Management, and you name it; they've got an awful lot going on. The regional coordinator was for Washington, Oregon, Idaho, Montana, Nevada and part of Utah, in fact this whole Northwest area. Any problem that came up there.

**Mr. Rogers:** Was Wyoming in that?

**Mr. Hodde:** Wyoming, yes, just a little corner of Wyoming.

**Mr. Rogers:** Washington, Oregon, Idaho, Montana, part of Utah and Wyoming.

**Mr. Hodde:** Part of Wyoming, yes. The purpose of the regional coordinator was to keep the various Interior Departments working along the same line; you know, it's so easy for them to get sort of self-centered and then go off on their own and maybe the Bureau of Reclamation doesn't know what the others are doing. I also overlapped into the Army Corps of Engineers and some other federal departments—not with any authority, but for information—because they worked in the same rivers and streams and mountains and forests, you know. The Agriculture Department, the forest services were also in many of the same problems as the Bureau of Land Management, which operated the non-federal forestlands for the federal government, not many of them in the state of Washington, but a lot of them in Oregon. This was an extremely interesting job, because I got acquainted with such a wide variety of federal activities. First about my orientation deal back there, one thing I need to mention, because I think it's interesting, was that one of the first things that I was told by the assistant to the secretary who was briefing me, who later became the chairman of the Water Resources Council . . .

**Mr. Rogers:** Who was the secretary at that time?

**Mr. Hodde:** Stewart Udall was the secretary. I got pretty well acquainted with Stewart Udall and there are a

few little stories about him I might throw in. But anyhow, he told me, he said, “One thing, Charlie, that you must first remember, and you won’t have as much trouble understanding that as some of our people from other parts of the United States, in the Department of the Interior, no matter what we’re going to do, one thought always crosses our mind, “What will Henry Jackson think of it and what will Julia Hansen think of it?” He says, “Those two people we have to have on our side, so we never overlook them.” Well, I told him they were both very good friends and supporters of mine, and of course, I’m sure it was Henry Jackson that enabled me to get the job I had there—made the recommendation—but nevertheless they wanted us to be sure to understand that. The interesting story, if I can take time for that, was how they learned to have so much regard for Julia Hansen so quick, because she hadn’t been there for years like Henry Jackson. Well, Julia, in some manner or another, was able to get on the Subcommittee on Appropriations, which included the Interior. She had a lot of interest in her district down in Southwest Washington with Interior Department activities, and she wanted a bridge built down here on the Quinault Indian Reservation. A lot of people in this area know about it. They told her that they appreciated that the bridge would have to be built someday, but that they wouldn’t be able to put it in this budget. Then, it went on quite a little while and it seemed like every time their budget came up, some member, not Julia, some other member would say, “Well, I’ve got a few questions about that. I’d like to have that postponed a week,” or two weeks or something; they’re doing some research or something like that. Pretty soon it’d be a little longer and so finally it went to the chairman, he says, “What in the world’s the matter here?” The chairman said, “Well, I think you ought to talk to Julia Hansen.” So, they went and talked to Julia, and Julia said, “Well, you know there’s that bridge down there on the Quinault, I think we ought to get something going on that.” “Well, we’ll think about it,” they’d come back and they said, “We’ll plan to put it in next year’s budget.” And Julia said, “This year’s budget.” “Well, I don’t see how we can do that.” “Well, I’ve got at least five more guys to ask for two more weeks apiece if you don’t want to put that in there.” So, they put the bridge in, and they built it and the funny part of it, it was almost embarrassing to Julia, because it was years before they got the roads built to the bridge! But, they learned their lesson.

**Mr. Rogers:** That was up on the Taholah Indian Reservation, was it not?

**Mr. Hodde:** Yes, that’s right, I don’t know the exact location, but it’s being used now anyhow. But, that was Julia’s way of showing them that they were going to have to pay attention to her. She had a lot of influence back there for a new member.

**Mr. Rogers:** She knew the ropes.

**Mr. Hodde:** She knew how to operate; she operated in the Legislature for a long time.

I spent quite a little time, two weeks back there, worrying about what the earthquake had done out here and getting acquainted with a lot of the people. Actually, it's a personal thing, but one other problem I had, I developed the sorest back I ever had while I was back there and I began to think my spine was broke or something. I had a hard time getting around. Just to make the story short, when I got home, I went to my doctor and he gave me a whack across the kidneys and said, "Did that hurt?" I said, "Well, not particularly." And he said, "Nothing wrong with you that won't fix," and I took, I think it was three or four muscle relaxers and in two days, I could run as fast as anybody. That was a relief when I got back, but it did handicap me a little getting around Washington. I think someone would have thought I was older than I was.

I came out here then and went to work as the regional coordinator for the Department of Interior for almost two years and it was extremely interesting. It enabled me to get so well acquainted with the resources of the various states, that when they decided two years later to pass the legislation creating what we call the River Basin Commissions over the United States that would be a cooperative planning agency involving both the federal government and the states in the area in which they were organized, I came up front for the chairman of that and that was an advance in many ways. The other job was a fairly well paying job—I don't remember what it was now; I think I started out at \$16,500 or something—but immediately I jumped into the River Basin office, I went to \$25,000. I became a GS-18, which is the highest rating, without getting into the exempt positions, under the federal government . . . well, it was an exempt position, but there are some special classes for secretaries and assistant secretaries above that. It was a Presidential appointment.

A little interesting sidelight story on that, when I went to work for the Department of the Interior, I had to have what they called top-secret clearance for the federal government, which the F.B.I. achieves for you after several months of investigation. This River Basin Commission that was being organized in the Northwest was the first one in the United States; it was a new law. They were very anxious to get it started. They didn't have any problem agreeing on a chairman, so somebody went to Lyndon Johnson—probably Henry Jackson, I don't know—and said, "Let's get this thing going." He inquired, "What about the chairman? Won't he have to have clearance?" "Well, Charlie just got clearance about eighteen months ago; I don't see any problem there." So, Lyndon Johnson and Dean Rusk both signed my Certificate of Appointment right away before they told the F.B.I. what they were doing. When the F.B.I. got word of that they, in effect, said, "You can't do that." Well, it's already done, and they actually interviewed almost every guy that they had interviewed in the previous investigation in a period of two days and gave me an okay. They went through all of the footwork—we'll call it mouth work, whatever you want to—contacting people all over the area just to be sure that they were getting

the clearance in time before I actually went to work. That job then, of course, involves somewhat the same thing, except it expanded; you were really a planning agency, and it expanded your contacts to all the federal agencies in all the five states. The five states that were involved in it were Washington, Oregon, Idaho, Western Montana, and the part of Wyoming drained by the Columbia. Utah never did take a membership; their interest was so small, and they were sort of an associate and were kept informed about everything going on so they could attend, but they didn't have any votes in the conference. The Wyoming man turned out to be a real pain in the neck, because he was against everything; we never could figure out why. We had a special rule with this, that because of the kind of planning agency it was—part federal, part state—to protect the states against federal domination or the federals from state domination—as a result, every decision had to be by consensus. In other words, everybody had to agree to it. Well, that's almost an impossibility. You get one stubborn guy who hasn't got much floating on it, just an area in the northwest corner that drains from the Columbia out in Jackson Hole and through there, and so you've really got a problem.

**Mr. Rogers:** You've got a one-person veto.

**Mr. Hodde:** Yes, really, that's all it amounted to and so we'd get quite frustrated with it and we'd finally get him to come around. You could talk to him and all that, but if he didn't understand it, then he'd just vote against it. He didn't know very much about anybody but Wyoming; if it doesn't do anything for Wyoming, then why do we want to do it? So, in effect, it was a difficult thing to work with. One thing that I did with it—I'm just putting in most of the interesting sidelights rather than getting into the programs at this time—when we started operation, when I was operating as regional coordinator, I had my office in the Bonneville Power Administration, which was one of the agencies that I coordinated with, and so we had to get some space quick to get the River Basin Commission started. We rented some space down in Portland. Well, there were so many federal agencies in Portland that the states didn't like the idea of us having offices in with Bonneville or the Bureau of Land Management or any of the federal agencies, because they looked at that as a way they might use to dominate the organization. So, I suggested to them that I liked the state of Washington; why don't we move our headquarters to Vancouver? The federal agency didn't kick either, because they could see some reason for it, and Vancouver had no headquarters for federal agencies, and it would be a neutral area. One of the things, we were in temporary quarters, but we also drove a bargain with the port district there to build us a new office building right on the Columbia River, where we had a view of the river right out of the chairman's office—it couldn't be nicer—on port property. I went to the post office and I said "This is not on any street at the present time and we've got to have an address. I'd like to suggest an address." And the postmaster said, "Well, I could

try it; what do you want to put there?" I said, "Number One, Columbia River." So, the building is still addressed Number One, Columbia River.

**Mr. Rogers:** That's on the Vancouver side.

**Mr. Hodde:** That's on the Vancouver side right across from the big motel that's across there now. Right behind the "Quay."

**Mr. Rogers:** The Inn at the Quay.

**Mr. Hodde:** Yes, right behind that. So, we bought that and took a ten-year lease on it. It really turned out to be an excellent location for a lot of different reasons. We were just as close to the Portland airport as we would have been downtown, and really easier to get there. We had a lot of people flying in and out at different times.

This Number One, Columbia River brought forth another little story that I—I've got to get my wife, Helen's name in there somewhere. While she was a very kind person and all of that, she wasn't dull by any means. The editor of *The Columbian*, the big newspaper down there, was trying to have a little fun with me when we had the dedication of the building. We had this address Number One, Columbia River, and he says, "What surprises me is that you don't make the daily *Columbian* deliver the paper by canoe or by water." My wife said, "You wouldn't need a canoe, would you?" And he says, "Why?" She said, "Well, I thought all you editors could walk on water." That really got a crowd out of the crowd. But that was good advertising for us, having that address and having headquarters right on the river and we thought we were really going great there for many years. Actually, what happened was that we came to the end of the Johnson administration.

I should say first before I talk about that, I did a lot of work during that period of time all over the United States and made trips up into Canada to speak and one thing or another, actually made one trip clear up above the Arctic Circle. There was an awful lot of talk at that time about diverting water from the Canadian rivers clear down to California. There was the Parson's Plan, and others that were talked about, and we were organizing the River Basin Commission clear across the northern tier of states. The Southwest and the South never did get into this mode of operation, but we had—in addition to the Pacific Northwest River Basin Commission, which I chaired—we had the Missouri Commission, we had the Upper Mississippi Commission, we had the Great Lakes Commission, we had the New England Commission and the Upper New York, I think it was, Commission, all operating at one time. We would have our meetings back in Washington where our different chairmen would get together. I didn't visit all of these, but I visited a number of them when they were getting organized, explained how we did our by-laws and how we tried to operate and all that. So, I got a good deal more exposure and opportunity that way than would normally be available in that position.

I even made trips into the South—New Orleans, Los Angeles—and the thing that really bugged me about the federal government was the small regard they had for travel costs. You were just expected to do these things. Before I went to work for the River Basin Commission, I was under direction of the Secretary of the Interior. It was not too unusual a circumstance, but I recall one right now, where he called up at eight in the morning and said, “Could you be down to San Francisco to talk to a business group at a luncheon that day?” I said, “Oh, I think I can.” And I flew down there, got out about nine thirty, got down there, they picked me up at the airport, I went in and made my speech, they hauled me back out and I’m home for supper. That’s the federal government for you; maybe they are that way yet. The secretary of the Secretary of Interior would call me up and say, “Charlie, the Secretary wants to talk to you, could you be here tomorrow?” “I expect so.” And you fly back there for a thirty-minute talk with the Secretary, rather than using the phone. Now, maybe there’s a reason for it and you did some other things while you were there, but basically my secretary said to me one day, “Do you have a hundred-thousand mile card from United?” I said, “I’ve never kept track.” “Do you care if I start checking up?” This was several years after I’d been working down there and she got up to 300,000 and quit, quit looking anymore, that’s how much flying I’d done. I could sleep on any kind of a plane, Jack; it doesn’t bother me at all, but I’ll tell you, the thrill of sitting by the window was gone.

**Mr. Rogers:** Indeed, it was a place to sleep and rest.

**Mr. Hodde:** One trip that I’ll never forget and I have slides of it and a lot of recollections. I went as a federal employee, but it was sponsored by Willfred Woods; he did several of them, a tour through Canada . . .

**Mr. Rogers:** Willfred Woods of the *Wenatchee World*.

**Mr. Hodde:** Yes, a tour through Canada. We stopped at Lethbridge and Edmonton and Little Slave Lake and Great Slave Lake and clear up into Inuvik right on the Bering Sea, back around by Fairbanks and Juneau, and into Whitehorse and Prince George. Do all that in six days; can you image? God, we didn’t have any sleep; we were dead on your feet, but we saw an awful of very interesting stuff.

**Mr. Rogers:** Resources, water . . .

**Mr. Hodde:** Yes, there were ninety of us on the plane and they were all state and federal officials that were—and this is basically justified by the fact that there was so much talk about diversion of Canadian waters into the United States and power. It was when we were developing the Columbia dams and things of that type. I had gotten pretty well acquainted with the Columbia Dam deal, because I had helped them work out some of their tax problems for the power companies on this side that were buying the power. I really got a great deal out of it, all of this travel around. Getting down to the close of my River Basin Commission career then, when

Nixon got elected, I just prepared a resignation. I figured it was my time; I was a political appointment, no question about that. But we had Republican members from the states, Idaho in particular, who approached me and said, "Look, Charlie, we don't want this to be partisan. We're very happy with what you're doing; we want you to stay here. We think it's to the benefit of the whole Northwest that we do not make changes now just because we've got a different President." "Well," I said, "I'd sure like to stay, but I'm used to moving on when the other party wins." "Well, you just keep your mouth shut and we'll take care of it." So, I said, "All right." Oregon was Republican and Idaho was Republican and I believe Montana; anyhow, there were three of the five or something. Well, we had a Republican in Washington because Evans was a Republican up here you see, and none of them were asking that I leave. Well, it went on for a year; it was just about a year from the time that Nixon was inaugurated—more than a year after he was elected. I got a call from Jim Watt, whom you've heard of. Jim was a young man, assistant secretary at that time to Jim Smith, who was the new secretary that took Udall's place. Jim says, "Charlie, did you ever send in a resignation?" I said, "No, I tried to and your good Republican friends out here wouldn't let me." He says, "I'll tell you, we had a meeting in our office today and we had a call from the White House, and they said we've got to find some jobs out in the Northwest. We've just got too many supporters out there that aren't getting taken care of and there's gotta be something." Of course, my job, by that time, was up to \$33,000 a year, which in 1970 was considered pretty damn good wages, so it was the best paying job in the Northwest really. Particularly if you looked at the kind of a job you had compared to Bonneville and some of the others that got about the same wage. But anyhow, I said, "Well, it's no problem at all Jim, I fully expect this and I'll have it in to you tomorrow." "Well," he said, "when we talked about it we couldn't get anybody to call you, so we finally drew straws and I got the short straw, I had to call you." Because I'd gotten well acquainted with him and I'd made suggestions to him, and they'd followed them and we were really getting along great.

I left then and that brings on another story we'll get into, but what happened with the River Basin Commission? They did appoint a guy from Oregon as chairman. The one problem he had, now he became a federal employee—the chairman was a federal employee—but he virtually did not meet, as they told me at least, with the federal agencies. He just always met with the states. With him, he'd been a state representative before, and he found it extremely difficult to get cooperation from federal agencies. This went on, of course, along until Carter was elected and then he immediately let this guy go, but maybe Jackson made a mistake, he picked a county commissioner from Portland and that guy was a pretty able guy, but his problem was that he thought the chairman was the guy who ran everything. And pretty soon he could hardly get the states or the federals, either

one, to come to the meetings; they'd send subordinates. The top guy wouldn't come. I visited him one time, and this had been years after I had been in there, and I was always interested in what was going on, and I could hardly believe it when I saw who was attending. I went and talked to one of the guys back from Bonneville and I said, "How come you aren't there?" And he says, "Waste of time, I'm not going."

I don't know if that happened in other areas, but anyhow the Reagan administration just ceased to finance it and so the thing is, the law's still there, but there's been no activity of the River Basin Commissions now for quite a few years. I think it's too bad, because I think there does need to be a joint planning agency of that type. Some day I may write a story about some of the planning we did, but I think this ought to be enough for a chronological history of this type, give you a little idea of what it was all about. Some excellent staff people did that work. We borrowed staff; we had a small staff we hired, but we borrowed expert people from the federal agencies and the states and we combined them into committees to do special studies in relation to all the different aspects of energy and water resource use. Those reports are in the State Archives, I understand, now.

**Mr. Rogers:** It's probable that some day in the future, when water resources and other resource development issues are before the people of the Northwest and in that region, they'll probably dig out some of those plans and make some use of them.

**Mr. Hodde:** I think that a lot of the research is being used, because it was distributed at the time and the data that they took up on climate and water, and water flow and usage is tremendous. So, I don't think it was a wasted effort, even though it is inactive at the present time.

**Mr. Rogers:** Charlie, what did you do after you had left the federal government service and returned here to the state of Washington? What was your activity then?

**Mr. Hodde:** Well, Jack, I tell you, when I first came over to Olympia to work for Rosellini in 1956, I always thought I'd be going back to Colville and the farm again, so again that crossed my mind when I was going to leave the federal government. You know I'm old enough, some people retire at that age. I would have been what, sixty . . . past sixty years old anyhow, but I did a little inquiring around and I found out I didn't have any trouble at all getting retained as a consultant by enough people to make almost as much money as I was making working for the federal government. Of course, that didn't make farming look very good, and of course, when you're fifteen or twenty years older, you're back doesn't work as good as it used to for farming, raising potatoes or apples and stuff. So, I moved back to Olympia and I went to work as a consultant here and my clients—I should say, first I took on a consulting job with the federal government. This kind of lapses into my previous service, but if you recall, the President appointed a National Water Policy Council. Charlie Luce was chairman

of it and we had a panel on that that was involved with how to plan; in other words, a guide for planning water resources and power. And it may be surprising to some, but I got picked as a member of that consulting panel and worked for almost two years, not full time, but quite a bit of time for the federal government then, as a consultant to the National Water Resources Council in charge of this. We put together a way to plan—and I haven't looked it up, but I've often wondered since whether they really ever got around to really implementing it, because the planning that I'd observed when I was with the federal agencies, it looked like what they did—whether it was the Army, the Corps of Engineers or what—was to, in effect, lay out every possibility, take years to go through all the possibilities and then go back and look and see if there's something they might like to do, or it might be feasible. The basic part of my idea, which was adopted by this committee—we had some good people out of California, a guy named Banks who had a lot of experience around there with the government and planning, and other parts of the United States—it wasn't just the West. My layout, which they finally adopted almost without change, is that the first thing that you have to do if you're going to plan a project is to hypothesize the results you might want to get. In other words, if you want to find out whether this is feasible, don't figure everything under the sun, just take that thing that sounds to you, with your general knowledge, that it would be feasible and it would get what you want, and use that as your target and then test it—test it rather than throw out all this material and try to find something else. Well, it was a very interesting experience, and of course, the National Water Policy Council didn't upset the whole world either, but they were getting into questions like the diversion of water to the Southwest and stuff like that that always came up at that time.

In addition to that, I also took on a chore with the Washington P.U.D. Association, because again, we were involved in energy problems and stuff. This surprised a lot of people; they'd always thought of Charlie Hodde as a tax expert and then all at once, here he's a federal energy and water resource expert, and then he goes to work for those kinds of problems with the state. I found them more interesting in many respects than working on tax problems, because you really can see some developments. You see some things done; you're dealing with concrete items, not just a method of getting money out of people.

**Mr. Rogers:** You know I had the same experience, Charlie. After being a legislator and working in the abstraction of the law, I got to be a county commissioner. I had to haul the garbage, and I had to build the roads, and that was real concrete stuff.

**Mr. Hodde:** That's exactly what I'm talking about, when you're collecting taxes, it may be fun—I don't know—but you're collecting all the money, and the other guy's having all the fun spending it. So, I stayed with this kind of consulting. I worked with the P.U.D. association—I didn't actually work for WPPSS, but I was in

on a lot of their discussions, because they were members of the P.U.D. association. I also did consulting work separately from the association, which includes all of the active P.U.Ds. I did work on separate contracts with Chelan P.U.D., Grant P.U.D., and Douglas P.U.D., which are the ones that own the largest generating plants of all P.U.Ds and built them early. And that was extremely interesting, because they were in an expansion mode at the time and really got in on a lot of stuff. I know I did a lot of work, which again, is not quite like building a dam, but financing them is one of the most important aspects of it. I made some recommendations to Chelan County on financing the enlargement of Rock Island Dam, that made that county a lot of money, and they admitted it, and so did the engineers who first said it was impossible.

I did some consulting work for the Department of Ecology, when John Biggs was director. This sort of stemmed out of work that I had done with the River Basin Commission, in which we were pointing out that there were methods of utilizing some of the desert area over in Benton County, down along the Columbia River, for some very large and useful projects involving cooling water for power plants, pump storage power for peak periods, irrigation of the Horse Heaven Hills, another half million to a million acres. This was really quite a huge area and John asked me to do a study on it. I was always kind of disappointed in a way that my study of the irrigation section of it, taken by itself, I had to recommend to them that it would not be practical to do it unless it was coupled with a power project of some kind that carried part of the cost of getting the water up there. My method of doing the study was somewhat different than had ever been done before and so I did a study for them for three thousand dollars that I think was quite conclusive. The way I did it, I said, "All right, I'm a farmer, I want some irrigated land. Can I get it cheaper or as cheap by developing Horse Heavens, or can I go up in the Columbia Basin and buy it?" I even took land prices as far as the Middle West, in Iowa and so on.

**Mr. Rogers:** That postulated your purpose.

**Mr. Hodde:** That was what I was talking about, planning. I said, "This is what I need to accomplish. Can I get farmland here for \$1,200 an acre? If I can, it's a good project, if I can't, it's not a good project; because I can buy all the land I want that will be just as much."

**Mr. Rogers:** Elsewhere in the Columbia Basin.

**Mr. Hodde:** For the same kind of production, for \$1,200—well, it ranged between twelve and eighteen you know, I'm just using that as a round number—but just taking the price of farm land as it was as competitive. So, I came up with the conclusion that the cost of power and everything involved, it would take \$2,700 an acre. What you're really saying is, "Should we subsidize the development by a third in order to have some irrigated land?" and I said no. I'm an old farmer; I don't need the competition that bad. Well, after I gave it up, they

decided that before they dropped it, they ought to have an engineering firm that specialized in this work take another look at it. They took the material I'd gathered and they gathered more material and for forty thousand dollars, they told them the same thing, that's what it amounted to.

**Mr. Rogers:** You worked too cheap, for three thousand dollars.

**Mr. Hodde:** If I'd charged them fifty, they'd have accepted the results. Well, they didn't *not* accept them, but they said we need to take another look at it.

**Mr. Rogers:** It was uneconomic.

**Mr. Hodde:** Now, I still think that, had they been willing to go ahead with some of the plans that we'd talked about in this River Basin Commission study, that they could have located power plants, did pump storage and stuff, and the amount of lift for the irrigating season would have been only a partial use, really a minor use of the pumps. One element of it that could be carried—kind of like in the summer months when you don't need as much power for other than irrigation—you'd use it for irrigation.

**[End of Tape Eleven]**

# TAPE TWELVE

---

[Tape Twelve, Side One]

**Mr. Hodde:** Jack, another very interesting study that I did that was paid for by the Legislature, I served as a consultant on the 1975—I call it the Wally Miller School Study—education study, and wrote the financial part of it. We put in quite a bit of time on that and I think it’s an excellent report.

**Mr. Rogers:** That was after the decision of the court that the state had to pay for basic education, wasn’t that? Didn’t that bring that on, Charlie?

**Mr. Hodde:** It was about that period. Now, I don’t think that the court had said that yet, because when I looked, or was thinking about some of the things we recommended, it hadn’t. I believe that occurred a year or two later, and it kind of re-did the whole thing. But, in this particular study it was not only on finances, Wally managed that part of it that had to do with excellence, class loading, all this kind of thing, but also I did the part and wrote the financial part of it. One of the things that I recall—without going and checking it out—was that one of the things that I had always felt needed to be done was to find a way to guarantee a certain minimum return from the levy of special levies in the district where they had to vote very high levies to get the same amount of money as Seattle would get with half or less of that, so that was one part. But, this study actually got quite a bit of attention and I think that some of the things in it have influenced legislation, I haven’t seen one that is any better since that. Another thing that I was involved in, and this I didn’t charge for, but I mentioned that I found it not too hard to work with Evans. Evans put me on his—first he wanted to put me on his committee on studying revenue and taxation, which Mary Ellen McCaffree chaired. I said no, I would be glad to advise them, but I didn’t think—because I was working for people as a lobbyist that were interested in taxes—that I should be a member of the committee. So, I did appear before the committee. Mary Ellen McCaffree was the chairman then; she was out of the Legislature, I believe, before she became Revenue director later on. When it came to the Energy Policy Committee, why he didn’t take that excuse, he says, “Everybody on that committee has a self interest and everybody’s entitled to express it.” So, I joined that committee which was large, but it had power company people, and ultra-conservative conservationists and everybody on it—about a fifty-member committee. We had a lot of meetings and the discussions were quite spirited, and rather strangely, being an old

public power man, I found myself being a spokesman for the public and private power companies—both, most of the time.

**Mr. Rogers:** Their interests were identical?

**Mr. Hodde:** They really were identical, with the exception of that political conflict. They needed the same kind of support for power generation, distribution service, and regulation—all that. There really wasn't that much difference in them.

**Mr. Rogers:** The problems were the same.

**Mr. Hodde:** Right, and I don't know whether we gave a good report or not. At the time, I thought we got an excellent report out because nobody was really happy with it!

**Mr. Rogers:** Well, that's the mark of a good report.

**Mr. Hodde:** We really did surface a lot of the important aspects of it at that time. Maybe if a little more attention had been paid, we wouldn't have had quite as many difficulties as we developed in the future. After that committee had finished its work, Evans also suggested, and I agreed, to serve on his advisory committee to the State Energy Office, which he set up without any legislation to start with. It was later authorized by legislation, but he established it just as a necessary adjunct to his administration by executive order. I served on that until I went to work for Dixy as a Revenue director in 1977.

I also did some work for—this is not a P.D.C. report—but it's interesting that I got called on tax items, too. I did work for the Non-Profit Hospital Association in Seattle—well, for the state I guess, but Seattle is where most of them were. They had some real tax battles with the Department of Revenue and that got me into the fray. We were able to get that legislation solved to their satisfaction. Just to show you what a little thing can happen, because sometimes you say, "Well, what could have happened to them?" When they were non-profit and they had their laundries in their own shops, nobody taxed them. They were exempt from the B&O and sales tax, and stuff of that type. It was part of their internal operation, just a part of their costs, not their income or their expenditures in that sense. Then they decided it would be more efficient to have one laundry to do the cleaning, because hospitals have an immense amount of laundry. So several of them put together and set up a co-op laundry, and then the department started taxing them because that became a separate business institution. They were buying laundry service. So, we were able to get the law amended to exempt the co-op non-profit (hospital) laundries, just one. But, that was kind of an unusual assignment that I took on there.

**Mr. Rogers:** That's an example of some of the types of things you were confronted with, then.

**Mr. Hodde:** Yes, those are the kinds of things that would come up for consideration. One of my big clients that

I worked for, for several years—big clients, plural—were the large grain exporting companies, the ones that export practically all the Pacific Northwest grain. Well, everything that goes out of Washington goes through one of these four companies, and they had some very special tax problems brought on by a Supreme Court decision on leaseholds. Their property—virtually all were leased properties—the ports build these elevators and lease them to the company. When the court came out and said that leaseholds were subject to property tax . . . .

**Mr. Rogers:** Private leaseholds of public property?

**Mr. Hodde:** They had not been subject to tax previously, or not been so assigned by the assessors. This created what they considered a quite inequitable problem. I first represented North Pacific Grain growers in an appeal and we got some adjustment, but I told them, “This doesn’t solve your problem, because the way the court ruled on the Pier 67 case—is what we usually refer to it—if you had a lease for fifty years, your tax would be about the same as if you owned it. If you only had the lease for five years, it wouldn’t be over ten percent of what it would be if you owned it.” So, grain companies, of necessity, had to have long leases; they couldn’t operate on five-year leases. The Revenue Department, I think properly too, held that if you had an option to renew, that’s the same as a lease. So, they used the longer period to get the higher rate. We were able to get a law through—it took about two sessions, as I recall—that changed the application of the Leasehold Tax Act and it really amended again, even in the last session, because it’s a rather funny thing. At the time we got it amended, we really ended up giving the state a little bit more money than they’d been getting, in that we averaged the leases out; they all paid the same no matter if they were only going . . . .

**Mr. Rogers:** Twelve percent, wasn’t it?

**Mr. Hodde:** It was twelve percent, but that amounted to about the same as a sixteen dollar-a-thousand property tax.

**Mr. Rogers:** Which is a little higher than the average tax.

**Mr. Hodde:** Well, it was not at that time. We thought it was fair at that time. And then the property tax levies went down, and all at once some of these people found that they were paying fifty percent more than if they owned it. Well, the Legislature adopted an amendment, which I helped the port districts with—and this was after, long after the fact there—that says in no case can it be higher than the property tax would be if you owned it, which seems to satisfy them now that they can go ahead and plan ahead.

**Mr. Rogers:** That was the grain exporting companies; among your larger clients, who were some of the other ones?

**Mr. Hodde:** Well, I did work for the Washington State Grange, the only time they paid me substantially for

work was in the '75, '76 period; they decided that corporate irrigation farming was becoming a very serious competitor. Some companies like U and I Sugar had about as much as a hundred-thousand acres of land, and the Grange didn't want to see the family farms turned into huge corporate holdings and all the farmers become hired people, hired men. So I helped them put together and actually had to end up practically drafting the legislation—they had some lawyers working on it, but they got so tangled up in what they thought were constitutional problems that I finally told the Master of the Grange that if he wanted to get that thing going, let me write it, and then let them attack it in court after it's passed. So, he went along with it and we wrote it the way I thought it ought to be.

**Mr. Rogers:** It was an initiative to the Legislature, was it not?

**Mr. Hodde:** Yes, it was an initiative to the Legislature, and we got the signatures in 1976. It started out to be kind of a tough campaign, but it sort of caught on, this idea of protecting the family farmer. Even the people of Seattle were glad to sign the petition; they didn't want the big corporations—you know, sort of an anti-corporation thing in a way—and so we did get the signatures. The Legislature, as I recall, did not pass it, but it went to election in '77 and was adopted by the people. I had a little part in that, except assisting in getting some of their campaign literature put together and things of that type, but I was working again for the Revenue Department at that time, and couldn't take too active a part in it. But I did take a very active part in the signature campaign.

**Mr. Rogers:** What did the initiative provide?

**Mr. Hodde:** It really provides that you cannot draw new water out for new land for more than two thousand acres, except to develop it and dispose it. Under that, a corporation could get water for fifty thousand acres, theoretically, and develop it, but they'd have to sell it off in units not exceeding two thousand acres within ten years of its completion. In other words, so they could not become a long-term corporate developer. In fact, it turned out that the legislation was probably little needed, because just about the time that this was passed in the middle seventies and later, the cost of developing irrigation—which I had mentioned I had even thought at that time was too high—just put it out of reach. One of the big elements of it was the cost of pumping power. So, now you're finding almost no talk of development and the corporations have pulled out; farming has just not proved that profitable.

**Mr. Rogers:** U and I Sugar closed their plants . . . .

**Mr. Hodde:** They closed down and they've disposed of most of this property and some of it's gone idle. What little had been done, proved the point that we were afraid of—I like to point out to them that if a corporation

owns a big farm and they're hiring all the help and a lot of it is transients if they're raising fruits, vegetables—transient time. In the wintertime, they either become a load on the welfare of the local district, or they have to go back to the Southwest or something.

**Mr. Rogers:** The warmer climates.

**Mr. Hodde:** Right, and so the corporation, when it becomes unprofitable, it doesn't bother it a bit to shut down; it just quits. They can just quit and if they won't lose as much money quitting as running, they quit. The family farmer can't; his whole life's tied into it and he has to keep going.

**Mr. Rogers:** That's where his home is as well as his business.

**Mr. Hodde:** He may work for nothing for ten years, but he'll still farm and the public's better protected that way.

We sold that idea anyhow, and it is in the law yet and if it ever becomes a problem, it can be used, but I don't think there's ever been an allocation made under that act, for the purpose of developing irrigated land to be sold to the family farmer.

I think that's about the size—I don't recall, offhand, any other clients that I had during that period. I might just close by saying that this had become quite a profitable enterprise for me and also one that . . .

**Mr. Rogers:** The consulting work, you mean?

**Mr. Hodde:** Yes, the last thing I was contemplating before I quit the consulting work and went back to work for Dixy for four years, I'd been approached by—and this is kind of a funny story, I think anyhow—one of the few people that I'd worked best with back in the National Water Resources Planning Council, was a man named Banks, who lived down in California. They had developed a firm that was doing consulting work on resource problems all over the United States; they were really going great and they needed more help. Harvey called me up and wanted to know if I would join their firm and be their Northwest representative. That didn't sound too bad and so he said, "Send me down your resume. I know enough about you to know we want you, but I need a resume to show the other guys and tell us what you're going to charge." I sent my resume down there, and I had worked up to where I was charging forty dollars an hour, and in 1975, '76, that wasn't too bad. So, I sent him down a resume and I put forty dollars an hour down for my time, he called me up and he said, "Charlie, there's just one thing wrong with your resume; it's just beautiful, but you've got more background than any of us and none of us are charging less than fifty, so you'll have to raise your price." I said, "You know, that's one of the easiest things I find to do; I don't have any trouble with that at all."

Well, just about that time I'd gotten involved in Dixy's campaign for the governorship and got quite

well acquainted with her. I was working as a—working was hardly the term for it—meeting with about eight or ten, maybe twelve other people, to help her try to select her cabinet after the election. It got down to the point, I know Tak Watanabe cornered me one time out in the hall and we went to the restroom or something after a long meeting, he said, “Charlie, I don’t know what you’re thinking, but by God, I’m going to propose that she put you in her cabinet somewhere.” I said, “Well, I’ve thought about it, but I really don’t know. There’s no way that she can pay me what I’m making, but I might like it better. I’ll think about it.” So, then the next thing, I get a call from Dixy and she says, “What job would you take?” I said, “There’s only two. I’d either have to be your administrative assistant or the director of Revenue.” And she said, “How about director of Revenue?” So, there I went, Jack, back working for the state. So, I didn’t take the California job. I had to cancel out on that, and I think it’s a good thing I didn’t, because I would have probably found myself running all over the United States again, chasing around, and it really wasn’t necessary to my livelihood. State jobs paid better by that time too; even though you couldn’t make fifty bucks an hour, you could make a good living.

**Mr. Rogers:** Well, at our next interview, Charlie, perhaps we can take up the Dixy Lee Ray years.

**Mr. Hodde:** Yes, we can go over that some, that’s pretty recent and, Jack, I’m not anxious to talk as frankly as I have about some of the others, and without that I don’t think it’s worth very much. If you’ve got time right now, I might just add for the Dixy years, to get something on the record . . .

**Mr. Rogers:** That’s fine, let’s proceed with that.

**Mr. Hodde:** Jack, after I decided to go to work for Dixy, of course, I did stay in good touch with her. I don’t know how much I told you about the campaign time, but I always thought that Dixy got the nomination away from Wes Uhlman by supporting the Grange on their signature campaign for the Family Farm Water Act that we were talking about not very far back. But, she had a lot of other good ideas; there was no question about that. She was a little short on political experience and probably could have benefited some there. My work with her in the Revenue Department was a little bit isolated from what I’d experienced with other governors. She didn’t pretend to know anything about state revenue and she didn’t really care too much for it or getting too well acquainted with it. She liked energy—she knew nuclear power, she knew a lot about resources, and she knew a lot about education and in those areas, I understood from other directors, that she’d tend to try to dominate their thinking. She never did that with me and I got along very well with her.

There were some funny things happened once in a while that I might recount. Used to go over to the mansion to visit once in a while, and I recall one time when John O’Brien and I, and her, and several other people, were sitting at a table and she was having a bad time getting along with the press, and she didn’t think

anybody that worked for her ought to like the press either. John asked me if a quote they'd given about me in the Seattle paper was correct and I said, "Of course, it was correct, they called me up and read it to me." She said, "They read it to you over the phone!" She couldn't believe it. Well, that was a little problem that she had that she never was able to seem to work with, and poor old Joe Zaspel was her press secretary, and he just practically wore out, because he always had to defend her, it seemed like, in that respect. Yet, when you'd really sit down and talk with the press about her ideas, they were not that hostile, but she just didn't get the support, and I really think her failing to get re-elected stemmed more from that than any policies that she had.

**Mr. Rogers:** I agree.

**Mr. Hodde:** We operated with a good fiscal situation during that period; we accumulated surpluses. You mentioned a little farther back about the change in the school law. One of the biggest changes that came about that affected finances during Dixy's reign, was the so-called Doran decision. I remember writing to Dixy and telling her that I wouldn't jump to too many conclusions about the Supreme Court to uphold it in as much detail as they did. What Doran really said was that the Constitution, as written in 1889 or adopted, said that education would be the paramount duty of the state. He interpreted that around to the point where he said that means the state has to finance basic education without local support. The writers of the Constitution, as I read it, said at that time, and it resulted in the formation of school districts, and local methods of supporting it. They read it to mean that the state had the responsibility to provide the method for furnishing education, not necessarily to collect the state dollars and pay them out. We went that way for, God, seventy-five years, with that interpretation, and only just a couple of years before the Doran decision came out, we amended our Constitution and it specifically says in there that the local districts may vote special levies for the support of education for two-year periods. It specifically used the term for the support of basic education or something at that time. So I didn't—I advised her not to get too excited about it. It went to the Supreme Court and you know what happened. Of course, they virtually, if anything, tightened up Doran's decision and practically said, "From now on, the state pays the money." Well, earlier in that—and this is some work I did in the period we just finished talking about—I worked, one of my methods of lobbying, was to donate work to legislators who needed help on special projects. One of them had been a property tax measure that had gone through the House that Len Sawyer wanted and that I'd helped Augie Mardesich iron out in the Senate and so on, and we'd change around to where we had the state doing the bulk of the support through the property tax, but special levies were still being very widely used. So, basically, we were upset by this for a while, but anyhow, the Legislature then, the court gave them some time—I forget, two years or four years or something to get in line with it—and they adopted . . .

**Mr. Rogers:** To phase it in?

**Mr. Hodde:** Yes, to phase it in. One of the things that Dixy's been criticized for—and I fail to see why really—was that by the end of her four years, we had accumulated about four-hundred million in surplus. Now, that's pretty big dollars when you compare what we've been talking about at a fifteen, twenty, thirty million dollar deficits that created such a big stir back in the Langlie, Evans, and Rosellini years, but here we were with about four-hundred million dollars and the election was made, with the governor's support, that we advance the full funding of education rather than using that for some other purpose. Had we not done that, I think we would have run into some very serious tax increases to fund it when we had to, because that way we got the thing underway quicker and got it budgeted properly. That became a rather important part of the whole Dixy four years, was the change in the way we support education. We're not done with that battle yet by a long ways, because education continues to take the bulk of the state's money. We talk about everything else, but when you get right down to it, if you took the schools and universities out, it would be a pretty small budget, the common schools generally taking over fifty percent. One thing that we did to try to improve, the tax situation under her—I think we did improve it in some minor ways—but the other governors, including Rosellini and Evans and all, had always had tax reform study committees and so on. They'd come up with something—and one thing I don't think I'd mentioned when I was talking about my work with Evans, during the interim when I wasn't in state office, I was co-chairman of his income tax campaign, H.J.R. 37, and what was that, '75?

**Mr. Rogers:** I think about then, yes. It was submitted twice, I know.

**Mr. Hodde:** Well, two different forms; the second time around was when I was co-chairman with Tom Copeland; he almost never came over. We got beat so bad I almost hate to mention it. I think it was something like we didn't have thirty percent of the vote hardly in favor of it. Since that time it's been almost impossible to mount any campaign for tax reform or revision that involves an income tax, even though we had another committee, of course, that worked under Spellman, after Dixy, and came up with recommendations. Nothing was done with it, and I served on that committee. But, during Dixy's . . . she decided not to do that and she had a Cabinet Committee, we called it—it was all cabinet officers—to study the tax problem. Purposely, on several of her committees of that type, she did not appoint the department head who was most interested; in other words, Charlie Hodde was not the chairman of the one on revenue, and neither was the highway director on the one on highways. She felt that they should be on the committee, but not the chairman, so Bob Hollister, from Retirement Systems was the chairman of this committee. We had a number of meetings and we talked about a lot of things and we put out a report, but this was not a public report; this was given to the governor,

and whether it ever got to publication, I don't remember. But again, we did recommend some rather substantial changes. Looking over some of the work I've done on the income tax in the past—and I know I brought this up again at this time—one of the problems that came up in one of my recommendations in the Spellman Committee later on, and I think it developed out of those talks in Dixy's committee, I wanted the income tax limited by saying it could only be used for public schools and only for half of their costs. That that would keep it from running away from the rest of the tax field. There are still things like that that I still like to see considered again. I guess that in closing up on the Dixy years, it was a nice experience. We were able to collect enough money; we revised the Revenue Department, I think, as much or more than Shinpoch did at the time he came in without any publicity. We didn't get a lot of people mad, we went along, did our business, and I thought operated quite well. Orin Smith was the Director of Budget, and he criticized me one time off the record. I don't know whether Orin would like this or not, but he said, "Charlie, if you don't quit reverting a million or two every biennium, the rest of the department heads are going to hate you." Well, I always felt like you should not spend any money you don't feel is necessary. I think if you'll check back, that I've never been in charge of a department that didn't remit some of their appropriation at the end of a biennium and I just feel that that's because I'm stingy by nature, I don't know what else, whereas some of them think they have to spend it all in order to get it next time.

**Mr. Rogers:** That's not the worst virtue in the world.

**Mr. Hodde:** I don't know, but it's a little unusual they tell me. I haven't tried to be too critical of it, because many departments in the spending side, rather than the revenue side, of course, can say the need will never all be matched, but taxpayers don't complain if you don't collect off of them too hard. That's the way they answer it to me.

If you have any questions about Dixy, I'd try to answer them, but I think that's about all I'd care to say right now.

**Mr. Rogers:** Thank you, Charlie.

**[End of Interview]**