

June 24, 1933

Phoenix Central Labor Council,
1633 West Jefferson Street,
Phoenix, Arizona.

Attention: Mr. O. H. Johnson, Vice-Pres.

Gentlemen:

This will acknowledge receipt of your letter of June 22nd in reference to the expenditure of R.F.C. funds.

R.F.C. funds were, prior to June 13th, 1933, expended under the direction of the Governor and the Secretary of the Board of Directors of State Institutions. The Eleventh Legislature, in regular session, passed House Bill 236, being designated Chapter 35, Session laws of 1933, creating a State Board of Public Welfare. This newly created agency is the State agency for cooperation with the Federal Government in the matter of expending R.F.C. funds. The Governor has appointed the members of this Board. Mr. Tom O'Brien of Inspiration, Arizona, is the chairman of the Board. Mr. Stuart Bailey was designated as secretary. I am of the opinion that Mr. Bailey has not yet qualified or taken over the duties of secretary.

A Mr. T. Mac Smith, secretary of the Fair Commission, has been in charge of the expenditure of R.F.C. funds under the direction of Mr. Bailey, as Secretary of the Board of Directors of State Institutions. Mr. Smith informs me that all of the rules and directions heretofore received from the R.F.C. have dictated and provided that R.F.C. moneys expended for wages should be expended at the prevailing wage rate in each community where expended. Mr. Smith informed me that he has been working through local county boards. These county boards have, in all instances, endeavored to ascertain the prevailing scale in each community and have in turn paid that scale.

I have not been able to secure copies of the R.F.C. rules and have, therefore, made no examination thereof. I have not had time to examine the legislation authorizing the advancement of R.F.C. funds. If it should appear that R.F.C. funds have been loaned to the State, and that the State is

33-250

#2--Phoenix Central Labor Council.

actually expending public moneys of the State of Arizona, it is highly probable that the expenditures for wages thereof would have to be in conformity with the provisions of House Bill No. 123, being Chapter 71, Session Laws of 1933, "An Act relating to public works and providing for the payment thereon of not less than the general prevailing rate of wages".

Due to stress of business in my office during the present special session, I have not had time to secure all the information that might be available in reference to the questions propounded in your letter. I am hastily handing this opinion to your representative in order that you may have the information that I now have in hand.

Very truly yours,

Attorney General.

ATL:MD

