PREFACE

The purpose of this pamphlet is to discuss those steps of the Plan to End Poverty in California which have to be taken FIRST.

The EPIC Plan was prepared in August, 1933. There was neither time nor money for research work, so many of the propositions were stated in general terms. In the thirteen months which have since elapsed, the Plan has been widely discussed; more than a hundred audiences have been addressed, and thousands of questions answered. Naturally, our proposals have been revised in many details, and we know that the Plan is a sounder and wiser thing than it was a year ago.

We of the EPIC movement presume to tell the people of California that we know how to end poverty and will do it if elected. We are not professional politicians seeking office, but men of faith believing in the right and power of the people to manage their own affairs. We believe that democratic government
confronts today the gravest crisis of its history. Our old and established industrial system is falling into ruins, and a new system has to be built in the midst of the collapse. Unless Democracy can find a way to do this, we shall have civil war, followed by Fascism and ultimately by Bolshevism. In the effort to avert these events, we present a plan to the people of California.

We expect to take power in January, 1935. We shall take over a state brought to the verge of bankruptcy by greedy and ignorant politicians. There will be a deficit of $35,000,000, plus an accumulating deficit of a million and a half per month; this without counting the expenses involved in the support of the unemployed and destitute. Despite the fact that we had nothing to do with the making of these conditions, the public will hold us responsible for them from the day we take power. That is an inescapable fact of political psychology. It would be difficult to find in American history a graver problem faced by the administration of a State.

Immediate action will be necessary, and the voters are entitled to know exactly what we propose to do. The purpose of this pamphlet is to answer the question, insofar as it can be answered, five months ahead of the beginning of the job.

Many factors are uncertain. Will the election be close, or will the voters give us an overwhelming mandate which all must recognize, as they have recognized the mandate given to President Roosevelt? Again, times may get better, or they may get worse. The worse they get, the more people will clamor for action. President Roosevelt has been empowered by Congress to print three billion dollars worth of greenbacks. He has not yet used this power, but it appears that he will be forced to use it soon. If he does, California may ask for its share of this money, which would solve all our problems. Even rumors of inflation would make money easier to get, and so lessen the burden resting upon our EPIC administration.

Another factor to be noted: Our Federal Government has furnished funds for a project which is practically the same as the EPIC Plan, being carried out by the unemployed of the State of Ohio. They have gone to work on the land to grow their own food, and in the factories to produce their own necessities, and they barter goods among themselves without profit to any middleman. Of course we, the inventors of the EPIC Plan, are extremely proud and happy to have this vindication from our Federal Government. We shall have several months in which to watch this experiment; and be sure that we shall do it with close attention and learn all there is to learn from it.

But in the meantime, the general outlines of our project are clear, and it is possible to state what our first steps will be. As indicated in the beginning, this pamphlet deals exclusively with these first steps; setting aside everything which requires costly research, everything which calls for the issuing of bonds, or which may require constitutional changes, or can be held up by legal red tape, injunctions, etc. With a million hungry people clamoring in our cities and with strikes approaching the character of civil war, it will be necessary for a new EPIC administration to act--if only to convince a suffering people that we are different from the other politicians.

THE APPROACH TO THE PROBLEM

At the recent primaries the EPIC candidate for the Governorship had eight Democratic rivals and four Republican rivals. Without exception all twelve of these gentlemen announced that they were going to solve the problems of the State by the timeworn method of economy. By this they proved that they had never envisioned the real problem which confronts us. It is true that if you turn state and county and city employees out of their jobs, you save a little of the tax-payer's money, but you put these unfortunate persons onto public relief, and so the tax-payers are just where they were before.

Our old-style administrators sit with wrinkled brows over the problem of the accumulating deficit. If a million people in our State are allowed to starve, they will revolt. On the other hand, how are you going to get new sums of money, when so many of the tax-payers are already bankrupt and in arrears? The
politicians would like to make the poor put up the money by increasing the rate of the sales tax; but the trouble is, the poor have votes, and who will vote for the sales tax again?

The difficulty with the old-style statesmen is that they are lawyers and politicians, uninformed as to modern industry. They are dealing with the problem as if it were the old-fashioned one of scarcity. They fail to envisage the new problem: The fact that modern industry is able to produce more than the people have means to buy. Nothing during five years of depression has reduced our ability to produce; on the contrary, it has been constantly increased by new inventions and the improvement of processes. The only way to end our deficit is to use this new ability.

This is the backbone of the EPIC Plan; and the answer to the question "What will you do first?" is "We will get production started. We will do it by any lawful method we can devise. We will get the unemployed factory workers into the factories and start the wheels turning. We will get access to the land for the unemployed land-workers, and each of these groups will produce as rapidly as possible, and will exchange their products among themselves, and thus enable them to become self-supporting, and put an end to that drain which is ruining the tax-payers."

In the little book, "I, Governor of California" I have drawn a picture of land colonies, in which great tracts of land are worked by modern machinery under the direction of agricultural experts, and in which the workers are comfortably housed in modern dwellings, with the use of social halls, community kitchens and dining-rooms, theaters, schools, churches, etc. I have imagined great factories placed near the sources of raw material, and with model villages erected for the housing of the workers. All that is within the scope of the Plan, and all that will be done; but it cannot he done at once, and we are discussing here the emergency steps to get production going; the method whereby the people of California, who have not forgotten how to work and are still willing to work, are to get the opportunity to work.

Just how many unemployed have we? According to the State Emergency Relief Administration, as reported in the Los Angeles "Times", June 20, 1934, the "known or registered" unemployed in California numbered 425,000, with known dependents of 900,000, a total of 1,225,000 persons, or 21.5 per cent of our population.

It is to be noted that there are various unofficial summaries, advanced by numerous civic and county authorities, as well as religious, social, philanthropic, marketing, and other statistical agencies. From these sources we learn of marginal or borderline cases, persons employed on part-time basis in industry, having a few hours work per week, or perhaps one or two days per week of paid work, and wholly depending upon such income. These are estimated to be 318,000, with 715,000 dependents. This makes a grand total of 2,258,000 persons, or 40 per cent of our population. These figures have been checked by the S. E. R. A. figures, which vary therefrom only 1.5 per cent.

Let us start with the smaller total, the known or registered unemployed and their dependents, 1,225,000. For these, the State of California is compelled to provide a living. What is this costing the taxpayers, under the present arrangements?

According to the State Emergency Relief Administrator, in a letter to the Governor (Los Angeles "Times", June 20, 1934) an average monthly expenditure by the State of $5,500,000 will be required. That he is not an extravagant person, you may prove by figuring this out; $4.50 per person per month, or fifteen cents per day. I'd like to see the State Administrator or the Governor living on that!

In addition, there have been all kinds of Federal aid--C. W. A., C. C. C., F. E. R. A., N. I. R. A. roadbuilding, cotton and wheat checks, etc. According to a Los Angeles "Times" Washington dispatch dated May 25, 1934, Federal expenditures in California amounted to $75,000,000 or $80,000,000 to that date, with $60,000,000 more authorized to be spent. This does not include any of the loans from Farm Credit Administration, Reconstruction Finance Corporation, or Home Owners Loan
Corporation. All of these sums, be it understood, are supposed to be paid back some day. All are meant, either to aid the unemployed, or to keep the employed from joining them; so all are part of the depression costs.

It is, therefore, a moderate statement to say that continuing to support the unemployed and needy will cost the tax-payers of California in one form or another close to $200,000,000 per year. This works out at $3.13 for each indigent person per week, or 45 cents per day, which does not seem excessive.

THE FIRST MEASURE

We have described the present system and its problem. Now let us assume that our EPIC candidates are elected on November 6th, and take office January 3rd. It appears likely that we may have a majority of the Assembly pledged to the EPIC Plan. We cannot have a majority of the Senate, because only one-half of these senators come up for re-election; but if our electoral majority is sufficiently impressive, the hold-over senators may recognize the mandate of the people and the seriousness of the emergency, and consent that the EPIC Plan shall be given a trial.

Of course, I realize that it may happen otherwise. The selfish interests which now rule the State may set out to balk us. The banks may refuse to accept any more warrants of the State and may demand payment on those already issued. They may deliberately bring about a crisis, in the hope of discrediting our movement and frightening us from our resolve. What we will do in such an event will be discussed later. We have to begin somewhere, so I assume that which I hope for--intelligent and public-spirited cooperation on the part of those who now control industry and finance in California.

What, precisely, will we do?

Our EPIC movement has a research group, composed of lawyers, statisticians, engineers, and technicians of both land and factory production. These men are now preparing a series of initiative measures, giving to the State administration the necessary authority to put the Plan into effect. These measures will be submitted to Government officials in Washington who have kindly promised their help, and thus perfected and made lawtight, the measures will be presented to the legislature. As a matter of precaution, they will also be filed as initiative petitions with the Secretary of State immediately after the November election--this will be done whether or not our EPIC candidates win.

The law requires that initiative petitions must be signed by a number of registered voters equal to 8% of the vote at the last election. That will mean that we must get some 160,000 signatures--a task which will not trouble our 1,000 EPIC clubs throughout the State. A quota will be assigned to each assembly district, and our secretaries will have the signed documents back in our hands within a week. The petitions will be filed, and if the Legislature fails to pass the laws promptly, a special election will be called and the people themselves will make the laws. The details of these procedures are, of course, matters for later study. Suffice it to say that we will act in the way which proves to be quickest and most certain.

The first measure will provide for a California State system of industry, including the three agencies described in the "I, Governor" book: the California Authority for Land (CAL), the California Authority for Production (CAP) and the California Authority for Money (CAM). These public enterprises will be conducted by a commission of experts appointed by the Governor. Their charters will be modeled upon the various Federal bodies which have received and are now exercising authority to do everything which the EPIC Plan calls for. Just now our opponents are desperately trying to frighten the people by telling them that our Plan is Marxian Socialism, or Communism, and that I am "an agent of Moscow", etc. Therefore I list here three of the thirty-odd governmental or quasi-governmental corporations which are now functioning with headquarters in our national capital, and which are engaged in doing all the things our EPIC Plan calls for.
First, the Commodity Credit Corporation "may produce, warehouse, ship, export, process, manufacture and market all farm products and related products; borrow money without limit for these purposes; buy or otherwise acquire any property in the United States or its territories which is necessary for its purposes; manage and maintain such properties."

Second, the Federal Subsistence Corporation "may build and operate factories, construct and own any subsistence homestead and all appurtenances; buy, construct and operate mines; buy, construct and operate industries, power plants, farms, commercial establishments, parks and forests."

Third, the Federal Civil Works Administration is "to construct, finance, or aid in constructing or financing of any public works project included in the civil works program and to acquire by purchase any real or personal property in connection with the accomplishment of any such project and to lease any such property with or without the privilege of purchase."

We shall establish a State Authority with powers identical with the above, and provided with money enough for its immediate needs. How much will be required, and from what sources it will be obtained, is to be discussed later. For the moment, assume that we have the money. What will we do?

FACTORY PRODUCTION FIRST

We begin with factory production, because that is the part of our system capable of most rapid expansion, and in which EPIC will produce the most striking results.

There were in 1931 in California a total of 10,121 manufacturing establishments with product valued at two billion. Using round figures, 22% of these factories had to do with food, 4% with textiles, 6% with forest products, 11% with printing and publishing, 5% with chemicals, 6% with petroleum and coal, 4% with iron and steel, 6% with machinery, etc. No official survey has been made as to the number of these factories which are idle or working on part time. According to figures, unofficial but dependable, one-sixth of our total manufacturing concerns in California are completely shut down and have been for a year or more. On a general average our plants are working at about 40% of capacity, employing two-thirds of their original personnel and paying 45% of the original pay rolls.

Now come our 425,000 able-bodied workers, desiring access to these factories in order to make shoes, clothing, bread, canned fruit, furniture, gasoline, cement, nails, etc., for themselves and their dependents, a total of 1,225,000 persons. These unemployed workers cannot now get access to the factories because they do not own them. It is the task of the State to obtain access for the workers--using, as we have said, means which are legal and constitutional. What percentage of the factories will be needed?

To determine how much of the various products could be used by 1,225,000 persons would be a complicated task. Many of these persons never had enough of anything in their lives. The safest way to proceed is to get some factories started at their maximum capacity, and see how rapidly their product is absorbed.

Assume that we acquire a factory for making women's dresses. This factory has been working at 40% of capacity. The unemployed dress workers come in and go to work, and by running full time we multiply production two-and-a-half times. By putting our workers on six-hour shifts and working the factory from six o'clock in the morning until midnight, we multiply that total by more than two. Experience proves that shorter work periods give a higher production per hour; so our one factory, on a system of production for use, becomes seven factories: which means that our State system will require only one-seventh as many factories per capita as our present anarchic system has built.

Assume that our large dress factory has been turning out a thousand dresses per day. We increase it to seven thousand per day; working three hundred days in a year, this totals 2,100,000 dresses per year,
or about four dresses apiece for every woman in our EPIC set-up. In other words, one large dress factory, used to its full capacity, will suffice for our whole EPIC Plan.

I have to make sure the reader understands the basic point, that we shall be turning out goods FOR USE. At the present time the private owner of the factory cannot turn out dresses, because he cannot find anybody to buy them at a profit; therefore his factory stands idle. But if the State puts the unemployed at producing for themselves, the problem vanishes; because every woman in our EPIC setup will proceed without hesitation to wear four new dresses per year. If we drive ahead too fast and make ten dresses a year, the sensible ones among the women will ask that we reduce the hours of the workers in the dress-factory, and let them have more time in which to show off the dresses already made.

The next point: How are we going to get this factory? At the outset, in the existing emergency, we shall rent it from the private owner. Many of our greatest manufacturing concerns have been running in the red for several years. They are still clinging to the hope that "prosperity is just around the corner", so they are keeping a skeleton staff, and paying their taxes, interest on bonds, etc., by money borrowed from the banks. But the end is close ahead; one gulp more and the bank has swallowed them down.

To the directors of such an enterprise the State system makes its approach, saying: "Gentlemen, we will consider renting your factory for three years, paying you a price sufficient to cover your overhead. We will be pleased if your executives will remain at their posts, receiving their present salaries and operating the factory under the supervision of the State. You may call in your old workers and put them at the machines. We ask and expect your loyal cooperation as citizens and patriots to help us over this emergency. If, as you expect, prosperity returns, you may have your factory back. If, on the other hand, your hope is disappointed, the State of California will enter into negotiations to purchase your factory at the end of the rental period."

A friend of mine put this proposition before a great California manufacturer the other day. "What would you answer?" my friend asked, and the manufacturer exclaimed: "My God, try me!"

THE METHOD OF CO-OPERATION

Let us now examine another method of getting immediate production. Of the 10,121 factories in California, more than 1,600 are wholly out of use. Some of these have been dismantled and are out of repair. The owners are holding their property with difficulty, many being in arrears with their taxes. If the State should make an offer to rent these factories, giving certificates receivable for taxes, the owners would jump at the chance.

How can such factories be reconditioned and started up? The people have provided their answer in the form of co-operative, barter, and self-help groups all over California.

I visited one of these groups in Pomona. In an old garage they had set up half a dozen rickety oil stoves, each with a washboiler on top. With this primitive equipment they had stacked up half the garage with crates of canned peaches and tomatoes. When I offered to buy some of these goods, I was told that they were not permitted to be sold. It was fruit which otherwise would have rotted on the ground, and had been gathered on the agreement that it would not go upon the market.

In South Los Angeles I visited a co-operative bakery. The machinery was old and out of repair, but the workers had fixed it up and were turning out several thousand loaves of bread per day. They were exchanging this bread for vegetables grown by another group on a tract of land outside the city. The bakery interests objected to this practice and so did the produce merchants; therefore the relief officials cut off the gasoline supply of the truck used in this transaction.

I visited the UXA, a large barter group in Oakland, and listened for hours to curious tales of how they
had managed to drum up business for themselves. They would find a crop of fruit which the farmer
would let them have, in return for painting his barn; they would find a paint merchant who would take
a cord of wood from a man who would take some of the fruit. Some of the deals were highly involved,
with dozens of different services in a circle of transactions. I know an enthusiastic co-operator who
discovered that debts could be exchanged. He would find a full circle of persons who owed money to
one another, and for a small commission to the co-operative would constitute himself a clearing house
and cancel the debts without a dollar changing hands.

For two generations or more, the American people have been victimized by a propaganda which
identifies Americanism with capitalism. For my part, I assert that these self-help and barter groups
represent Americanism more truly than any other phenomenon of our time, They embody all our true
pioneer virtues--self-reliance, initiative, frugality, equality, neighborliness. They are the most precious
products of the depression; and what have we done with them? The answer is that we have done
everything to handicap them, to humiliate them, to buy their leaders away from them, to corrupt and
finally to exterminate them.

Why have we done this? Partly because they are believed to threaten "big business," but mainly
because they threaten the "relief racket", which has become the mainstay of the politicians in these
difficult times.

Consider the achievement of the cooperative at Compton, which during the first seven months of this
year has served 19,745 meals at a total money cost of less than half a cent a meal. Consider that the co-
operatives of Los Angeles County, from August to December of 1932, maintained a hundred and fifty
thousand members on a cash expenditure by the government of seventeen cents per family per month.
Since a "family" is found to average 3.6 persons, this works out at less than one-sixth of a cent per
person per day. Consider that what that would have meant to the over-burdened taxpayers of California,
who last year paid in one form or another forty-five cents per person for the same service, about two
hundred and seventy times as much. You would have expected the taxpayers to hail the achievement of
these co-operatives with loud cheers; but instead, the co-operatives have been crippled by every
possible device.

When the Federal Government spends tens of millions of dollars for relief in California, a great part of
this money goes for office rent and salaries of officials and relief workers, and serves to build up a
political machine. Oddly enough, under the set-up in California, Federal funds portioned out by a
Democratic administration went to building-up the Republican machine of the late "Sunny Jim", and
go now to the machine of his successor, Governor Merriam. When Los Angeles County votes bonds for
unemployed relief, the money goes to build up the machine of Supervisor Quinn, who was one of
Merriam's rivals for the Republican nomination. The survival of the politicians depends upon this
relief, and the man who proposes to cut it off becomes Public Enemy Number One. That is why you see
Republican candidates collecting campaign funds from special interests and spending the money for
radio time to denounce Upton Sinclair as an atheist and agent of Moscow.

One of the declared purposes of EPIC is to put the credit power of the State behind the co-operatives
and enable them to grow. All they ask is the use of the idle factories, with any old machinery they can
find. They will put it into running order and start it up, and having got hold of one product, they will
exchange it until they have all other products.

To the extent that the State puts money into the enterprises of the co-operatives, the State must have a
voice in their management. The co-operatives will not object to this, provided that those appointed by
the State know something about co-operation, and have as their purpose to foster it instead of
breaking its back. I feel confident that if this were done, we should see every destitute man and woman
in the State of California made independent and secure, by democratic and strictly American methods.

THE PROBLEM OF FOOD
Let us next consider the question of food production within our EPIC system. We are going to provide food for 1,225,000 persons and not according to the standards of the State Relief Administrator, who thinks that fifteen cents per person per day is an outside figure. I assume that our California unemployed are going to provide for themselves an American standard of diet.

We figured up the quantity of food required by our EPIC set-up, and it sounds quite terrifying: 100,000 tons of meat and fish per year; 350,000 tons of vegetables and fruit; 80,000 tons of breadstuffs; and so on. The wholesale cost would be $40,000,000 or $50,000,000.

But when we investigate further, we discover that the maximum food requirements in our EPIC set-up are much less than is going to waste in California day after day. Using round figures, California food products in the year 1932 were valued at $375,000,000. (Three years earlier, it was $729,000,000; so you can see how the depression hit our farmers.) Reckoning by bulk, 40% of our crops are shipped out of the State, to satisfy the claims of Wall Street parasites. This constitutes by far the most valuable portion, the choicest vegetables and fruits, which we cannot buy in our own State. Half the rest is consumed in California by those who have money to buy it.

The remaining 30% rots on the ground, or is gathered and dumped into the washes--with quick-lime poured over it to make sure that it does not help any unemployed person to keep away from the grocery stores. Thousands of tons of vegetables are dumped into San Francisco bay every year, to keep up the price; and now we have come to that strange stage, where our Federal Government subsidizes farmers to perform such acts of vandalism. In Fresno I learned of a farmer who was paid by the Government to slaughter three hundred hogs; he wanted to give them to the unemployed for food, but the Government forced him to bury them!

Suppose now that the people of California should elect a sane man as their Governor; what would he do?

Beginning with inauguration clay, the new Governor has the job of feeding the destitute out of public funds, until such time as they have grown food for themselves. In California the winter is the time of rain and the planting must be early; therefore the CAL (California Authority for Land) must proceed by all just and lawful ways to get the unemployed farmworkers upon the land at once. Authority will be given to regional directors who are agricultural experts, and notice will be issued to owners of idle land, close to our great centers of population, that the State is prepared to rent this land for a period of three years, paying for the use of it some form of paper which is receivable for taxes.

Every city and town in California today is ringed round with tracts of good land which the speculators are holding "for a rise." These speculators are most of them in trouble. Their taxes are in arrears and much of the land has reverted to the State. If the State offers to rent the land for even a portion of the taxes, the owners will eagerly agree, and if the State furnishes seed and tools and competent direction, we shall soon have thriving gardens surrounding our cities--a much pleasanter spectacle than the burned-over weeds we now gaze upon. By this method I believe that any Governor of California who is really thinking about the welfare of the people, instead of about his own political machine and the profits of his campaign contributors, can have an army of men at work within one or two months after the time he takes office.

I discussed this program with a leading Democrat, who thought we might get some factory products, but was sure that our people would not be interested in "land colonies." Americans scorn to work the land, he said; they leave such humiliating work to Mexicans, Japanese, Hindus, etc. The objection was answered a few days later, when the Los Angeles "Times" published a photograph of a scene in Alhambra, where the cooperatives had got the use of a vacant tract of land, and having no horse, four men were hitched to the plow. Later on, I spoke at a meeting in Alhambra, and one of these men got up in the audience and introduced himself. I asked him if he was too proud to work on the land, and he
answered in a manner which convinced the audience.

When the State of California, using its own funds or those furnished by the Federal Government, gives cash relief to the unemployed, the recipient hastens to the nearest grocery store and buys food. Usually this is a chain store, which means that the money goes immediately to Wall Street, and serves to fill the coffers of the great banks and corporations there, and make it possible for them to buy new issues of Government bonds, thus piling up the Public debt, increasing the claims of parasitism upon industry, and making worse the very condition which is destroying us. Naturally the banks and chain groceries and great shipping and marketing trusts consider this government subsidy a wonderful device of statesmanship.

But what about the farmers, who get a crop of peaches, and pay the Pacific Fruit Express a price which enables that great monopoly to pay dividends of 90% per year, and in the same transaction forces the farmer into bankruptcy? It is a fact that retail prices paid by the consumers in our grocery stores represent from 600 to 700 per cent of the price which the growers receive for the same products. Can we find any way to set the agriculturist free from such parasites? The answer is that we can find it without the slightest difficulty, any time we choose to look.

The new Governor of California has 1,225,000 persons whom he is obliged to feed until the new cooperative crops are in. Since he is thinking about hungry people and over-burdened taxpayers, rather than about his own political machine and big business paymasters, he proceeds to purchase food direct from the producers and bring it by State agencies direct to the hungry, without the intervention of a chain of middlemen. He finds the farmers heavily in debt for taxes, and at the same time with enormous supplies of food which they cannot sell. He says to the farmers: "Bring your surplus products to the State, in return for warehouse receipts of the CAL (California Authority for Land). These receipts will be receivable for taxes, and you will thus be, in effect, paying your taxes in farm produce."

Furthermore, the Governor will say: "We propose that you shall take additional warehouse receipts, which will be exchangeable at a store in the town where you trade, for the products which will soon be coming out of our factories. In this depot we are going to have shoes, clothing, bread, canned fruit, furniture, gasoline, cement, nails, etc. What we ask is that you shall feed the workers at the lowest possible cost to our near bankrupt State; and in return, the State will bring goods to you and make them available at cost. You will find that our warehouse receipts will be exchangeable for all the staple goods which you require."

Of course, some of the farmers may be shy of this plan in the beginning, and may demand some cash to make the proposition seem real. But just as soon as the stores are opened and the goods actually on sale, no farmer will hesitate to turn over his surplus crop for warehouse receipts of the CAL.

To complete the system, the State will buy or lease trucks and take the farmers’ products to the cities, and on their return trips bring the factory products to the farming communities. The State will lease large vacant stores, of which there are many thousands, paying the overburdened landlord with paper which will be receivable for taxes, and also exchangeable for food and factory products.

At the same time our factory workers will be receiving certificates of services rendered, which they can take to the store just across the street from the factory, and there obtain at cost prices the products of all factories and farms. Thus our cycle will be complete, and we shall have a system of production for use which puts the unemployed at work producing everything which can be produced in the State of California, and exchanging these products at the cost of production and distribution, with no deduction for the benefit of any parasite, and no expense to the taxpayer except the initial cost of getting the enterprise under way.
The Cost of Starting

What will be the initial cost of launching this EPIC Plan? In order to figure this justly, we have to exclude all expenses which the State will be put to in any case. Granting that we do not intend to let our 1,225,000 starve to death in the first months of 1935, the cost of feeding them throughout these months is not properly to be charged against the EPIC system. Granting that there will have to be administration of relief funds, such salaries are not justly to be charged against the EPIC system. In fact, the only costs which can be so charged are the salaries paid to administrators of the CAL, CAP and CAM; and even this expense is really investment, and any private business would charge it as promotion costs.

The principal item will be the deficit assumed by the State in taking its own receipts for taxes. Let us take one transaction for analysis. In order that the unemployed may get seed to plant the idle land, the State will have to purchase seed from the farmers of California. If the farmers are willing to take State receipts in exchange for seed, the State will be in effect mortgaging future taxes, gambling upon the willingness of the unemployed to put the seed into the ground and produce food for themselves. If they do it, the State will get back its tax money in the form of relief from the burden of relief. In discussing the EPIC Plan, I described it as "a loan to end loans"; but you see that, in the earlier stages at any rate, it may better be described as "relief from relief." As soon as the seed has come up and the unemployed are producing food in quantities, they will, of course, produce their own seed.

So it appears that the EPIC Plan can be started for a very small sum of cash, perhaps five or ten million dollars. With prompt action by the legislature, and loyal cooperation from the workers, our State enterprise should be under full headway within six months, and should wipe its slate clean of all obligations in less than a year.

You notice that so far I have talked about warehouse receipts and certificates of services rendered. I have not talked about "money" inside our State system, and I have avoided the questionable word "scrip." It appears that we here have a twilight zone of the law; our best lawyers cannot be sure whether they should say "yes" or "no" to the question whether a State can lawfully issue scrip. Private bodies like the Los Angeles Clearing House Association can do it, and were prepared to do it during the bank panic early in 1933. Cities and towns have done it; but it is uncertain just how the courts would interpret the provision of the United States Constitution that "no State shall coin money; emit bills of credit; make anything but gold and silver coin a tender in payment of debts."

We wish above all things to avoid delay; therefore we shall confine the proceedings of the CAM (California Authority for Money) to such procedure as our people are used to and our courts have definitely sanctioned. Perhaps we might even change the name from CAM to CAB (California Authority for Barter). Whatever we do, we shall leave no chance for our enemies to delay us in this crisis.

Our lawyers agree that no court can find anything unconstitutional in laws which permit the State of California to purchase food from farmers, and give warehouse receipts therefor, and accept these receipts for taxes. Nor can any court forbid the State to operate factories and issue certificates of service to the workers; nor to conduct stores and accept certificates for goods. There would be no need to make these receipts or certificates legal tender. No one would have to accept them unless he wanted to do so. If he did accept them, it would be because he knew he could exchange them for something he wanted and otherwise could not get. Many persons want very much to pay their taxes, but cannot get cash, and would gladly give goods or services.

The same thing would apply to public utility corporations, which are going to pay higher taxes under our EPIC Plan, and would be glad to pay these taxes by means of certificates, which they could obtain by furnishing water, gas, light, power and telephone service to our State factories, farms, warehouses and stores.
What would our warehouse receipts and certificates look like? They should look as much as possible like things to which the people are already accustomed. In this, as in everything else in the system, we would use whatever lawful method was most economical of time and labor. The worker in the factory might have a simple account with the factory store, kept like a passbook in the bank. If he wanted to travel he would receive something like an express or postal money order, exchangeable for credit at any State store upon proper identification.

Our opponents are trying to frighten the workers by telling them that we propose to pay them in scrip, and do not say how much we would issue or what it would be worth. As you have seen, every dollar of receipts or certificates or "scrip" issued by the State system will represent goods acquired by the system or services rendered to the system; it will purchase an equivalent amount of goods, and will be cancelled when the sale has been made. Thus the value of the scrip will be determined by one thing—the amount of goods which labor turns out by cooperative efforts. Since we plan to have the best land, the best machinery and the best expert management, I believe that the value of this scrip will be greater than anything ever known in our history. Personally, I should expect to see it selling at a premium of 200 per cent over the United States dollar, within one year from the starting of our system.

If that should happen, of course the workers of California would soon be clamoring to enter our system, and as voters they would proceed to vote themselves into it. That is the thing our opponents fear, and the only thing they fear, and the reason they are spending millions of dollars to tell the voters that I am an atheist and an agent of Moscow.

WATER WITHOUT DEBT

Let us now consider what the EPIC Plan will be able to do in the field of public works. The people of California have before them a vitally important enterprise, the Central Valley project. It involves the building of a great dam and irrigation system, estimated to cost $175,000,000, and to take from five to seven years. The people have voted the money, but the public authorities appear to think that the bonds cannot be sold, and the Federal Government has so far failed to assist. In the meantime a grave water shortage is threatened, and vast tracts of our most fertile land are going out of use because the water tables are dropping.

How would EPIC handle the Central Valley project? I believe that with our State system of warehouse receipts and labor certificates we can start the work almost at once and without incurring debts of any size.

First, we would set all the private contractors aside. We would do the job with State engineers, and thereby cut 20 per cent from the cost. We would manufacture our own cement and thereby break the lawless monopoly which is plundering the taxpayers of California. The same thing goes for rock, sand and gravel, some vendors of which sent emissaries to me at the outset of this campaign, offering a $50,000 fund if I would indicate my intention of patronizing their enterprises when I became governor.

Later on you will be told about our "EPIC tax", payable in goods and services, and designed to start up industry. By means of this tax we will get great quantities of all materials for this project, including cement, rock, sand, and gravel.

To the farmers of the San Joaquin Valley, who desperately need this public improvement, we shall say: "When this project is completed, you will owe the State for your irrigation rights, and this claim will constitute a lien upon your land. Suppose now that you bring your surplus food to the State warehouses, to be used in feeding the 50,000 workers who will build this dam and irrigation system, will you take in return our warehouse receipts, which will serve to pay off the claims against your
land." I put this proposition before several thousand farmers of the San Joaquin Valley at a picnic last Fourth of July, and they received it with acclaim. I said to them: "Would you feed the workers and take State credits good for water and power?" And again they made plain their approval.

Our iron comes from Utah and presumably we would have to pay cash for it. New machinery also comes from outside, but we have great quantities in the State standing idle and easily to be purchased or rented; therefore I feel certain that the EPIC Plan could start the Central Valley project and keep it going constantly for a small sum of money to be obtained from taxes. Politically, of course, it would mean a terrific conflict, because it strikes at the vitals of the predatory interests which today control our State: the power trust, the cement trust, the contractors, the rock, sand and gravel people--these have rented and now operate our State government, and the governments of practically every county and most of the cities of California. They control the agencies of public opinion, and whether a man can defy them and live is a problem still to be decided.

DEFLATION PLUS MURDER

We have next to consider the financial condition of our State and what immediate EPIC proposes to do about it.

The first point to get clear is that our State elected a Governor on the basis of his skill in wearing shiny boots and gardenias, and riding horses backward at County fairs. This "sunny" gentleman proceeded to turn the State over to his cronies, and as a result of three years of picturesque rule, we shall have by the end of this year a deficit of $35,000,000, plus an accumulating deficit of $15,000,000 to $20,000,000 each year. In addition to this a new tax measure goes into effect the first of January, known as the Riley-Stewart law, under which taxation of public utilities is turned over to the counties--which are expected to be much easier on these "sacred cows" of California. This will put the State into the hole another $35,000,000, so the Governor who takes office next January will have to reckon on a deficit of $90,000,000 during the year 1935.

And note that the new Governor will have this to do, regardless of whether he is an ex-Socialist, or the most reactionary Republican in the State. Our commercial press is attacking the EPIC Plan because it proposes to raise money by increasing the bonded indebtedness of the State, which is already too heavy, or by increasing the burden on taxpayers, who are already over burdened. I answer by pointing out that the new Governor is going to have to get hold of $90,000,000, and he has only two ways of doing it--by bonded indebtedness, or by increasing the burden on the taxpayers.

I point out, furthermore, that the Governor, even if he is the most reactionary Republican, will have to provide for the support of 1,225,000 idle persons. We have seen the State Administrator's estimate of fifteen cents per person per day, which comes to $66,000,000, and does not include all sorts of Federal loans, which of course ultimately will come back upon the State. Even if we get gifts from the Federal Government, it will all come back on the people, because there is nobody else to pay our debts.

We have seen that California's bill for relief, plus loans and gifts, came close to $200,000,000 last year, and there is nothing to indicate that it will be less in 1935. So we may say that the people of California will have to assume obligations, whether it be in the form of debts or taxes, of somewhere between $250,000,000 and $300,000,000 during the year 1935, and they will not get out of it by electing the most reactionary Republican in the State.

They now have that Republican in Sacramento, and as I write, he issues his campaign manifesto. Frank Merriam tells the people that he has been a workingman all his life, and is a friend of the common people, and is going to guarantee "security, justice and economic independence for every citizen." He furthermore states, "positively, sincerely and conclusively, I shall make no promises or pledges which cannot be fulfilled, or which in accomplishment will work unnecessary hardship or injustice upon any individual or group." All this is most impressive, and you have to remind yourself
that it is the promise of a business and financial system which has brought it about that two per cent of our people own eighty per cent of our wealth, and one-eighth of one per cent of our people get two-thirds of all the dividends paid by corporations.

Governor Merriam tells the people of California that he is going to restore "the normal processes of agriculture, business, industry, and commerce," and that "it is the duty of an enlightened people to give every member of society a full opportunity to live a wholesome, healthy useful, and productive life." You recall how Merriam's great exemplar, party leader, and fellow citizen, Herbert Hoover, promised the American people two cars in every garage and two chickens in every pot--and then gave them two chickens in every garage and two mortgages on both.

Governor Merriam follows the policy of all capitalist politicians in this crisis--he proposes to spend and save the same dollar. He calls for construction of public works, which will make jobs for politicians; while at the same time he demands rigid economy, which will set the politicians howling on the steps of the State House. He promises that government costs are to be "pruned ruthlessly with a grim economy ax"; and just for illustration of how this ax will work, he proposes a bond issue to provide money for unemployment relief; and extension of time for delinquent taxpayers, which will increase the State's deficit; a State corporation to acquire assessment bonds and reduce the amounts, of course, at the expense of taxpayers; a program of "making the productive lands available," also at the taxpayers' expense; and finally "unemployed and old age relief," to be given partly at the expense of the State. In other words, at the same time that he does his "ruthless pruning," he is going to inaugurate a program of State expenditure which will require hundreds of millions of dollars--and this without condescending to make one single definite statement as to where he intends to get the $90,000,000 to cover the deficit which he will have before he starts any of this promiscuous generosity. And this was broadcasted over the whole State of California with a solernn guarantee, "positively, sincerely and conclusively," and received by the Los Angeles "Times" and other reactionary newspapers as the voice of Moses, Solon, Lycurgus, and Calvin Coolidge.

Let me, for my part, tell the people of California, "positively, sincerely and conclusively," what they will get if they elect Frank Merriam as their next Governor; they will get ruthless deflation, followed by civil war, and then Fascism, which I have defined as "capitalism plus murder."

MEETING THE DEFICIT

What does the EPIC Plan propose for this financial emergency? We have already explained how we propose to take the unemployed off the backs of the taxpayers and make them self-supporting, so that our $200,000,000 burden will quickly be lifted. But the deficit of $90,000,000, which Rolph and Merriam have accumulated, must be met. Merriam is calling a special session of the legislature to authorize a bond issue for unemployment relief, but not a word is said about the deficit, and the legislature can only deal with the matters for which it is called. You can see what the scheme is: The banks will continue to take Merriam's tax warrants, figuring that the bigger the debt and the greater the emergency, the tighter will be their hold upon the next governor.

Such is the trap prepared for me next January. The banks will be demanding their money, and refusing to lend any more to an ex-Socialist Governor--unless, of course, he promises to be "good." We have to make it plain that efforts at sabotage will not frighten us, and that if we cannot find anybody else to tax we will tax the banks. If the people of California elect Upton Sinclair their next Governor, it will be because they want somebody who means to end poverty, and would prefer to die rather than fail.

To meet the situation we shall need cash, and a great deal of cash, immediately. The people will have to pass an emergency measure which will bring in this cash. We shall assuredly not take it from the poor, nor shall we leave ourselves in the position where we have to take orders from the financial oligarchy which has brought us to our present plight.
Let me make clear that I am not proposing a program of confiscation, nor have I any secret desire to destroy private business under the guise of taxation. As Governor, I shall confront a deficit for which I have no responsibility; a breakdown of private business caused by its own blind greed. This emergency can only be met by taxation, or by increase of debt, which is taxation put onto our children. We can follow one of two courses: the old method, of taxing the poor, or a new method, of taxing those who have so much money that they do not know what to do with it.

If I become Governor, I shall find a tax program that will enable the State to pay its past debts, and provide enough extra money to put the unemployed at productive labor and give them a chance to become self-supporting. The latter amount will be small, as I have explained, and I will keep it as small as possible. But I will surely not permit anybody in the State of California to go hungry while I am Governor, and I will limit the eating of cake until all have bread.

We have studied this problem with great care, and considered every possible form of taxation. What we have decided upon is an ad valorem tax upon the property of individuals and corporations, the first $100,000 of assessed valuation to be exempt, and the tax to be payable, at the option of the State, in goods and services instead of money. I have been calling this "the EPIC tax." In our Democratic party platform it is referred to as "the Sinclair tax." It is, so far as I know, a new idea, and is especially designed to fit into our program of making work for everybody, and providing the materials for those great public projects which have already been outlined.

Our State has unlimited natural resources, but we cannot utilize them because our money system has broken down; the big banks have got all the cash. Many of our great California corporations cannot pay large amounts of taxes, because they are no longer making large net profits. But they have unimpaired productive capacity, and can turn out goods and services at a very slight increase of expense.

This Epic tax would be additional to all other taxes, and would be levied only during the emergency, for the purpose of procuring goods and services of various kinds to be used in starting our system of production for use by the unemployed, and also our public projects. It would be designed to tap the natural resources and factory capacity, and therefore all owners of homes and farms and small businesses would be exempt. As we now assess property at about 40% of its value, no one would be affected by this tax unless he owned property worth $250,000. The tax would operate almost entirely upon utilities and industrial corporations. The Federal Supreme Court has held that a tax may be assessed at a progressively greater rate against large incomes and large holdings. A tax designed to reach only taxpayers worth more than $250,000 is not only founded in natural justice but is proof against attack in the courts.

The great corporations and big businesses of this State are paying dividends of about $300,000,000, and we feel that they can spare part of this in a crisis. Just how much they would be asked for would be left to an Emergency Tax Commission. The amount would be unbelievably low, for the reason that if the State collected all the tax in goods and services rather than in money, it could collect something like five times the value it could get in the form of cash.

Let us take the Southern Pacific railroad as an example. Our investigation shows that the Southern Pacific could pay an Epic tax to the State in the transportation of freight at a cost of only 20 cents on the dollar. The Southern Pacific is now burdened with a great bond issue whose interest must be met. It is compelled to maintain its rights of way, tracks, and rolling stock. It has a far flung executive organization. Its capacity to do business is vastly more than the business being done. If it paid a tax in the transportation of new freight, this would mean only hooking onto existing trains an occasional car for the State, and such new business would necessitate but a small amount of additional labor, fuel, and up-keep. Careful study makes it appear that the railroads of the State could pay an Epic tax for not more than 20% of value measured in their customary rates.

The same thing would also be true of other great utilities and corporations of the State. Our gas,
electric, and oil companies, our timber and cement corporations, all could pay an Epic tax without strain or difficulty, and the proceeds from such a tax would give the unemployed sufficient goods and services to start them working in productive enterprises.

Our State has great deposits of oil and natural gas, millions of acres of timber land, great deposits of minerals, almost unlimited hydro-electric power, and a vast variety of factories and transportation units. In fact, we have practically everything needed to put our idle to work. The power to tax is a sovereign right, and may be exercised in almost any way the people desire. There is nothing in either law or common sense to prevent the State levying an Epic tax, designed to reach directly the super-abundant wealth and resources of California, and procure a needed portion of them for the use of the unemployed.

If you are a believer in rugged individualism, and more concerned with the welfare of corporations than of idle men, still you cannot deny that this Epic tax would be fair and just. Our levy would not seriously deplete the materials, machinery, or natural resources owned by our corporations. Probably the annual levy of a fraction of one per cent of the value of the natural resources of this State would be sufficient to provide ample capital for the Epic workers. Specifically, in the lumber industry a levy upon the stumpage of this State of less than one-half of one per cent would provide all the timber required for the Epic program.

It is our contention that this tax, levied directly upon the big property holders of this State, would not make the taxation of big business proportionately any greater than that now borne by farmers, home owners, and small taxpayers. The large property owners have been highly favored in taxation and an unfair burden has been carried by the small taxpayer. We are pledged to put the burden on those who can carry it, and the Epic tax will carry out our pledge.

The heads of our great corporations may not like this tax at first thought. I point out to them: (1) you have to support the unemployed, either by paying taxes or by paying interest on bonds for the purpose; (2) it is much better to do this by goods and services, of which you have a surplus, than by cash which is so very scarce; (3) if you will give us a chance to get the unemployed started at production for their own use, we will save you, as taxpayers, a cash outlay of $66,000,000 every year, plus the $75,000,000 or $80,000,000 which the Federal government has advanced, and on which you, as taxpayers, are already paying interest. Gentlemen executives, these are the facts, and if you are capable of thinking a year ahead, you will come forward and help us do this job for our Golden State.

Also, do not overlook the bearing of this "goods and services" tax upon our great public projects, such as that of the Central Valley. You recall that we propose to send fifty thousand unemployed men to do this work, and ask the farmers to feed them with their surplus crops. Under the operation of the EPIC tax, there will be a steady stream of lumber, cement, rock, gravel, and other materials, with railroad and truck transportation free. Thus our great State enterprises can be pushed to completion for a small part of the expense previously calculated. "Water without debt!"

OUR PERMANENT TAX SYSTEM

So much for emergency taxation. Let us now consider the more permanent features of our EPIC tax program, which have been set forth in sections 4 to 9 of our Plan.

We have in our State at present a sales tax of 2.5% upon all retail purchases. As it is administered, we pay a tax of one cent upon a fifteen cent purchase, which makes nearly 7%; and since the poor do their purchasing in small quantities, the taxation falls heaviest upon them. This is a tax on consumption, which reduces purchasing power and perpetuates the very evils it is supposed to meet. It brings in $50,000,000 per year, and deprives the people of California of that much food, clothing, and shelter.
This sales tax was forced through the Legislature by a nasty bit of treachery. The Assembly was persuaded to pass it by the promise that there would also be a State income tax. The Assembly passed a State income tax measure which was to raise about $45,000,000. The Senate cut this down to $15,000,000, and then the Governor signed the sales tax and vetoed the income tax.

The clever politicians have fixed it so that the school teachers are dependent upon the sales tax for their salaries. Naturally the teachers are frightened, and it is necessary for me to state emphatically that if I am elected Governor the appropriations for the schools will not be cut down; I will not make either teachers or children carry the burden of the depression. We shall not repeal the sales tax until we have found another way to get the money. We may have to start by repealing the sales tax on food, which would relieve about one-third of the burden; and then provide that the rest of the tax shall cease at the end of a year.

We shall provide a State income tax, similar to the one which the Senate rejected. It is worth noting that this tax takes precedence over Federal income taxes, and the amount of Federal tax is reduced where State income taxes are paid. Imagine the statesmanship which has failed to take advantage of such an invitation! Rest assured that we shall put this tax on both individuals and corporations.

We expect the State income tax to bring us between $35,000,000 and $40,000,000. There will also be an increase in the State inheritance tax. It is a problem of how much this can be done without causing persons to take up residence in other states. But we can surely get another $10,000,000 in that way. All California real estate can be taxed when it is inherited, regardless of where the owner or heir may reside. At present it is customary to evade this law by forming a corporation to own the real estate, so that the ownership takes the form of stocks or bonds. We shall change the law to provide that real estate remains real estate, even when it calls itself stocks or bonds.

We have proposed a tax on stock transfers at the rate of four cents per share. New York State has this tax. No one can tell exactly what this tax will bring, because we have records only of stock exchange transactions, whereas the bulk of shares changing hands are unregistered, and are sold in private transactions.

The EPIC Plan has also called for a State tax upon unimproved building land, and agricultural land which is not under cultivation; the first thousand dollars of assessed valuation to be exempt, and the tax to be graduated according to the value of the land held by the individual or corporation. The tendency of this tax would be to take land out of the hands of speculators, and make it available to those who wish to use it. This tax would require a constitutional amendment, and hence does not come within the scope of the present pamphlet, which deals with first steps.

The same statement applies to our proposed amendment exempting from taxation all homes occupied by the owners and ranches cultivated by the owners which carry an assessed value of less than $3,000. It will be necessary to begin the introduction of this reform by gradual stages. I am reckoning upon the fact that by the end of the second year we shall have the State system of production for use under full headway, and that system will, of course, be paying its just share of the expenses of the State. Those who do understand the idea of production for use are unable to form any conception of the amount of plenty it will bring about. There is nothing to do but show them in action. In the meantime they have nothing to worry about in our EPIC tax system, for we offer them the only possible way of escape from inflation, which will destroy most of our vested wealth entirely, and favor only the speculators.

THE PROBLEM OF PENSIONS

The last three planks of the EPIC platform provide pensions for the aged, the blind, the disabled, and the widowed mothers of dependent children. The law provides inadequate pensions at present, and they are so hedged around with red tape that few persons get them. We have in mind pensions which will be paid, and opponents of the EPIC Plan estimate the cost of such pensions and ask us where we
are going to get the money; having done this, they go ahead and list pensions plans of their own, and don’t tell us where they are going to get the money! Even Governor Merriam has not been able to refrain from promising old age pensions. The most reactionary Republican in the State of California had to say something to get him some votes!

The opponents of our Plan point out that there are 560,000 persons in the State over sixty years of age, and they tell us that 90% of these are dependent. No shame or embarrassment strikes their souls as they write these dreadful words. It is just a cold business fact that to give every old person a pittance to live on would cost $200,000,000 per year and the people of California cannot afford that, because they have to pay $400,000,000 per year in interest to the parasites of Wall Street.

Since the EPIC Plan was put forward, President Roosevelt has declared his intention to provide various kinds of social insurance through Federal laws. This is to be one of the tasks of the new Congress which will be meeting as I become Governor of California. It seems sensible, therefore, to put off this problem until we see what the President does. If he takes care of our California aged at Federal expense, the burden will, of course, come back upon the taxpayers of California in the end; but that is beyond the mental range of the opponents of EPIC, who will think we are getting something for nothing.

So far as concerns the EPIC system, let me add that when our workers on the land and in the factories are making comfort and plenty for themselves, we shall say to them: "It will be the part of wisdom for you to set aside a portion of your product, say 10% a year, to establish a fund for your care when you have reached old age, or in the event that you become ill or disabled. Being self-respecting Americans, you do not want to be dependent upon charity, whether of your relatives, or of the State, or of the Federal Government. You want to produce the wealth yourself, so that later on you can claim it as a right and enjoy it without humiliation."

THE EPIC BOND ISSUE

Another aspect of the plan which looms enormous in the criticisms of our opponents is the $300,000,000 bond issue which is suggested in the book, "I, Governor." Having had a year to think about the problem, and having seen the crisis intensifying, I have set the bond issue aside, and propose that we start upon a three year's rental basis, and prove our Plan. But now let us imagine that the three year period has passed: how does the problem appear then? In that period our dress factory has turned out 6,300,000 dresses, worth several times the value of the factory. Our idle lands are thriving gardens which have produced in vegetables more than their assessed valuation. As Governor of California, I make the voters a speech, as follows:

"Fellow citizens, you have come to the place where you have to make a decision about the EPIC Plan—whether you like it and wish to continue it permanently, or whether you do not like it and prefer to go back to cash relief for the unemployed.

"The balance sheet of EPIC stands as follows: The Plan cost say thirty million dollars to get started, and has paid for itself, and provided comfort and plenty for 1,225,000 persons over a period of three years. If you had not had the Plan, but had followed the old method of supporting the unemployed on public charity by means of State taxes and bond issues plus Federal gifts and loans of one sort or another, your losses would have been close to $200,000,000 per year, let us say a half billion for the three year period. If you should decide to drop EPIC, you will have a deficit of that size at the end of the next three years.

"If you decide to continue the Plan, it will be the part of common sense to purchase factories and land at their carefully appraised valuation instead of renting them indefinitely. The value of the set-up, at the prices which existed when you first took it over, was $300,000,000. The owners cannot jack-up the price on you, because you do not have to buy any particular factory or any particular tract of land. And, of course the owners of factories and land know that if you turn the properties back onto their
hands they will be, as they were previously, in trouble.

"In order to make purchases deemed necessary, you will have to vote a bond issue of $300,000,000. I point out to you that under our system of production for use, the workers are making the property produce considerable more than that amount per year. They will unquestionably assume responsibility for interest on the bonds, and can promise to pay them off in a period of, say, ten years. These bonds will be backed not merely by factories and land, but by muscles and brains and consciences of half a million California workers now banded into a solidarity of production for use. These workers want their own industrial plant, so that they and their children may be safe for ever after, and so that they may manage it themselves as a democratic cooperative.

Furthermore, my fellow citizens, I point out that while our State system has been producing more than its cost every year, private industry has not been getting along so well. Prosperity still remains around the capitalist corner. Debts have continued to pile up, and the method of borrowing and spending to make ourselves rich has brought what everybody knew it must—that is, bankruptcy.

"Finally, I point out that we are completing our great public improvement, the Central Valley water and power project. We are going to bring great new tracts of land into use by means of irrigation, and I propose to the people of California that instead of chopping this land up into small tracts and subjecting it to the waste of small scale ownership and management, we give ourselves and the world a demonstration of large scale free cooperation in agriculture. I propose that instead of fencing in each ten or hundred acres of land, we leave the fences out and bring the tractors in, and undertake to build a model community for civilized, twentieth century human beings to live in.

"I propose that those who farm this land shall be agricultural experts and mechanics, and that they with their families shall live in a modern community with homes built of modern materials, and with social life which can be truly democratic, offering opportunities of culture to every resident. I see an agricultural village built not haphazardly, in the old-fashioned way, with a hundred different varieties of ugliness, but a well-planned community of gardens and parks. I see buildings of rust-proof and earthquake-proof materials adapted to our climate.

"It becomes extremely hot in the interior of California in summer. Our people endure this heat because they have to; but modern engineers and inventors have perfected a system of air conditioning—they have got the cost of installation down to less than $500 per house, and by doing it wholesale and cutting out the profit, we can do it for half that. All that is required to operate the system is electricity, and the great new dam will furnish this in unlimited quantities.

"Suppose now that we set out to show the farmers of California what true social life can be; how it can combine the advantages of country and city. Suppose we provide for this community a spacious dining-hall, lighted at night, heated in winter and cooled in summer, all by electricity; a kitchen in which the cooking is done and the dishes washed by electric machinery; a community laundry operated by the same agency; a model hospital; a great hall used for lectures and concerts and theaters; school buildings which will not fall down on the children in an earthquake; kindergartens which will take the little children off the mothers' hands when they so desire; a nursery where infants are cared for cooperatively while the mothers are working, or learning something in library, concert hall, or theater. And finally—a special idea which has haunted me for thirty years—a community newspaper which will publish facts instead of lies, and Culture instead of crime, and whose editorial page will be conducted upon an open forum basis, providing free and equal opportunity for self-expression to all the various groups and ways of thinking in the community.

"I point out to you that under our new system of financing, a group of such land colonies can be built for a small bond issue. I point out that with increased powers of production the workers can take care of the interest on the bonds for themselves, and can pay them off in installments each year. Such communities will set a new standard of civilization in our State, and will involve no possible risk to the
taxpayers of the State. I point out to you that these enterprises will be American in the truest and most vital sense of the word. They will be in accordance with our religious and political ideals; free, cooperative, democratic institutions, embodying the principles of brotherhood and the Golden Rule. I point out that no one will have to enter these colonies, and anybody who does not like them will be free to leave at any time. The people in them will have the utmost freedom to live their own lives, provided they do not interfere with the rights of others.

"Finally, my fellow citizens, I point out to you that you do not have to endorse this enterprise and vote bonds unless you want to. I am not putting any pressure upon you; I am merely setting forth the facts, and saying once more, as I said a thousand times during our EPIC campaign of 1934: 'It's up to you!'

END POVERTY IN CIVILIZATION

I append to this outline a record of a two weeks' trip to Washington and New York begun the second day after the California primaries. The purpose of the trip was to call upon the Federal officials whose aid we hope to get for our EPIC projects; to explain the Plan to them, and incidentally to learn what they are planning and doing along these lines. The following narrative was written for our weekly paper, the "EPIC News." Our workers wish to know the reaction of the rest of the country to the EPIC Plan, and here is the story. Speaking over nation-wide broadcasts I told the people that our slogan, "End Poverty In California" could be revised to read "End Poverty In Civilization."

We were interviewed at almost every train stop between Pasadena and Chicago. Sometimes what we said was got wrong. I suppose the reporters could not make good notes in five minutes on a station platform. But that is the way America gets its news.

In Chicago we were met by Edward Nockels of the Chicago Federation of Labor and John Walker of the Illinois State Federation. They took us to interview Mayor LaGuardia of New York, and we had a friendly talk with him and explained the EPIC Plan. He was much interested, and discussed the possibility of making a start in New York. He was scheduled for a big radio broadcast the next day, and we learned that he changed his text after his talk with us. No wonder the New York "Times" found his address "untimely!"

We went to the Fair grounds and broadcasted for an hour over the radio of the Chicago Federation of Labor. Half the time we also had a nation-wide hook-up. There was supposed to be an outdoor mass meeting, but it was raining. Not one in ten of the crowd could get into the hall which was provided.

Next evening in New York a dozen photographers and as many reporters met us at the train. We went up to the hotel room and they kept us busy all evening, and the papers had columns about EPIC. I haven't passed such hectic days since "The Jungle," nearly thirty years ago. We were besieged for magazine articles and radio addresses. In California we have to pay, but in Chicago, New York, and Washington we had seven or eight nation-wide hook-ups that would have cost a couple of hundred thousand dollars.

Now I had the chance to tell the whole United States about our EPIC Plan and every aspect of it. I described our California campaign and told what I was free to tell about the interviews with public officials.

With the help of Bob Brownell, Crane Gartz, and my secretary in New York, Ernest Greene, some hundreds of telephone calls were answered, and eight or ten magazine articles were prepared for publication. There will be lots of stories about EPIC coming into California before long, and our opponents will have their hands full buying them up, as they did the "Literary Digest."

William Loeb, Jr., son of the Secretary of the Interior under Theodore Roosevelt, drove us up to Hyde Park on Tuesday afternoon. The state troopers on guard admitted us to the grounds, and half a dozen
butlers and secretaries passed me into President Roosevelt's study. I am not free to tell much about our talk. He might have chatted with me for ten or fifteen minutes and been polite, and all the requirements would have been complied with. Instead of that he kept me for two hours, and told me things which I surely did not expect to hear. Suffice it to say that he is thoroughly informed about what is going on, and I wasn't able to tell him very much. A great burden of uncertainty is lifted from my mind.

From there we went by invitation to the Nelson House in Poughkeepsie, where the temporary offices of the President are installed. There must have been twenty reporters and half a dozen photographers waiting there. Of course I was extremely anxious not to say anything that could be used to embarrass the President, or that would seem a violation of his confidence. I did my best, with all the reporters plying me with dangerous questions. Finally they tried to get me to state what I had said to the President about the EPIC Plan. I said: "I don't believe I ought to, but if you want to you can call up Mr. McIntyre, the President's secretary, and if he gives you permission it's O.K. with me." There was a general laugh. "McIntyre is in the room." He had been there listening all the time. He was kind enough to say that what I said was all right.

We were late for a radio broadcast in New York, and what we did to the speed laws for eighty miles shall not be told here. We were seven minutes late for a nation-wide hook-up, but they had been filling in the time, and then I had a peculiar experience. They told me to go on and talk as long as I pleased. I would stop once in a while and ask: "Shall I go on?"--which must have been very amusing to the radio audience. That is the way it happens when you have just come from the Great White Father's home! I went from this broadcast to call on Mr. Farley at his hotel at eleven o'clock at night, as he was going out of town in the morning. He was very cordial and told me to call him "Jim." I wished to reply like the blushing maiden: "This is so sudden!" He was kind enough to say that he had just listened to my broadcast and found it interesting, and also that McIntyre had phoned him that I had handled the newspaper interview successfully. Mr. Farley gave me a lot of political advice, which we may put to good use during the next couple of months.

From there the midnight train to Washington, and in the morning another swarm of reporters, and at noon a luncheon and address to the National Press Club. They told me they had never had so large an audience, except for Ramsay MacDonald. Even the gallery was crowded, a total of about 500 men--and they had stopped taking reservations the day before and turned away several hundred.

It was supposed to be a hard-boiled audience, but they were cordial, behaving exactly like an EPIC audience in California. The first fifteen minutes of the talk was broadcast over both the NBC and Columbia chains. After that I talked for another fifteen minutes about how we had built the movement in California, and then they plied me with questions for an hour. In the published newspaper accounts I was complimented for the "lightning-like replies." Little did the newspapermen realize that I had answered every one of those questions many scores of times in California. It is easy to make a reputation for fluency when you have practiced the same speech one hundred and fifty times.

A great many public officials were present, and in several cases those who could not come sent their subordinates or listened over the radio, as they told me afterwards. The newspapers have published literally pages about the EPIC Plan, so we may be sure that our program is thoroughly understood in Washington.

That afternoon I went to call on Harry Hopkins, Federal Relief Administrator. He had already given a newspaper interview expressing gratification at my nomination, so I was not surprised to find a friend in him. I met him again that evening at the home of another friend. Secretary Wallace was also present, and we talked about the Plan very thoroughly. I asked these gentlemen, as I asked all the others whom I met, to point out the flaws in the Plan if they could, and I am gratified to be able to say that not one did so. They asked many questions, but registered no objections.
A very striking commentary on the way our commercial press is keeping the facts from the people: everybody in Washington is talking about the "Ohio Plan." I had never heard about it before. In the office of Jacob Baker, assistant to Mr. Hopkins, I saw some shoes and an excellent coat which had been made by the unemployed workers in Ohio, and I saw a regular Sears-Roebuck catalogue of the products which they have produced and have for barter among themselves. This work has been proceeding on a wide scale for months, but who ever heard about the Ohio Plan in California! Even in New York I couldn't find anybody who had heard about it. Of course it is pure EPIC, and it is all being carried on with Federal funds and with Federal sanction. In New York a man came to see me about it, one of the founders of the enterprise. The important point is that the Plan is working perfectly. But in California they call it Bolshevism!

The next day, Thursday, was spent in going from one office building to another, meeting all the heads of departments who have the handling of Federal funds. Everyone of these men, without exception, promised all the help which the laws would permit. They all said that we had raised new and important questions which they would be glad to take under consideration. One of them called in all his subordinates, some twenty men and women, and they plied me with questions.

I had an especially interesting talk with Secretary Ickes of the Department of the Interior. You know, of course, that that Department has turned down the application for $175,000,000 for the Central Valley project, on the ground that it is too much money for one state. I put before Mr. Ickes our project to carry out this great work by means of the labor of the unemployed, and having the farmers of the San Joaquin and Sacramento valleys supply the food for the workers in exchange for credit, which will be good for water and power when the project is completed. Also I explained that we would get the materials, such as cement, rock, sand and gravel, lumber and transportation by means of our EPIC tax—that is to say, a tax on big corporations, which at the option of the State they may pay in goods and services.

Mr. Ickes showed extreme interest in this plan, and he afterwards stated in a newspaper interview that I had suggested most important and interesting ideas, which could be tried out, and if they succeeded they would be used all over the country. He authorized me to state to the people of California, that if that project is submitted to him in proper form the Department will be very pleased to reconsider its decision in the matter of helping to finance the Central Valley project. Needless to say, of course, the project will never be submitted to him unless I am elected Governor in November!

Also I talked with Mr. J. J. Thomas of the Federal Reserve Bank, Mr. Jesse Jones of the RFC, Mr. Fahey of the Home Owners Loan Corporation, and Secretary of the Treasury Morgenthau. All four were most cordial, and Mr. Morgenthau told me to ask him for anything I wanted. Hearing that in the Treasury Department certainly gave me a start, and I told him I would not fail to come back!

Then a visit to Commissioner Allen of the District of Columbia. You will recall that the McClatchey newspapers published a telegram from Washington denying our statement that the District of Columbia had worked out a plan to put the unemployed at productive labor and make them self-sustaining. Commissioner Allen confirmed all our statements in detail, and promised to send me a copy of the charter of their corporation. They have applied for funds to Mr. Hopkins' organization. I went over to the relief place, where the unemployed have already started some work; I was photographed in front of some of the machines, and they have promised to send the photograph so that it may be used in our paper. I wonder if the Sacramento, Fresno and Modesto "Bees" will publish it!

Midnight train to New York, and on Friday more newspaper reporters, and then a luncheon at which Farrar & Rinehart, my publishers, had invited the critics. By the way, Heywood Broun, who was going out of town, had phoned me. He has written some fine stuff about our campaign, and promises to come out and spend the last two or three weeks reporting us to the country.
Friday afternoon a visit from some fellows who wanted to start a caravan on the way to California to help in the Plan, but we discouraged that idea. Also a man who wants to put on a movie, and more editors who wanted articles. Also a news reel for Pathe, which will soon be on the screen all over the country. Needless to say, I talked about EPIC.

Saturday noon Samuel Untermyer sent his car, and I had lunch at his place on the Hudson. We talked over the Plan and the political situation and Untermyer says that during the campaign he will make a nation-wide broadcast for us. He is sure he can get it free, but my guess is he will have a hard time getting it into California free. Anyhow, there is something more which you must not forget! Mr. Untermyer said to let him know if there was anything else he could do, and I have an idea we shall be able to think of something.

Saturday afternoon a number of friends gathered and formed a New York EPIC committee to circulate the book in the East, to get publicity in the papers, and to raise funds for our campaign. Mr. Wm. Loeb, Jr., whose address is Oyster Bay, New York, agreed to serve as a nucleus, and all readers of our EPIC News should ask their Eastern friends to get in touch with him. I wrote an article for the "Nation," suggesting this plan. Perhaps I should list other articles which are to appear in the "American Magazine Colliers," "Liberty," in "Today," and another Macfadden publication of which I did not get the name, and a series to be syndicated to newspapers.

Then the midnight train to Detroit, where we stopped over for a call on Father Coughlin. We had only about a half hour with him at his home, which is a very modest cottage close to his Church of the Little Flower at Royal Oak, Michigan. We sat down to dinner, and then I looked at my watch and we had to run without eating a mouthful. He had a young priest drive us to the depot, about fifteen miles away, and we ran out of gas and had to be shoved down the boulevard by an unknown benefactor, who butted us most joyously.

Father Coughlin was cordial. He said he is heart and soul for the program of production for use. He said he had been studying it hard and was going to broadcast it. He asked me to recite the rest of our program to him, and this I did, and he approved every detail one after another. He gave me the authorization to say that he approved our program entirely. Also he said he was quite willing to forgive me for anything I had written about the political and economic conservatism of the Catholic Church organization seventeen years ago. The attitude of the Church has changed greatly in those years, but still very few of the priests in America know what is in the program of social justice set forth by the last two popes. We must help to inform them! Father Coughlin starts broadcasting again in the latter part of October and we ought to try to get one of these programs put through into California, even if we have to pay for it ourselves.

Such was the reaction of the rest of America to our California EPIC. I conclude with the last paragraph of the document which we hope will be adopted as the 1934 platform of the Democratic party of California:

"Progress versus reaction, public welfare against private greed--this is the issue in the present campaign. Not merely in California but all over the world lovers of humanity will wait for this verdict and will rejoice to hear that our Golden State has voted in favor of ending mass poverty. We know that the people are behind us, and we believe they will stay behind us. We are going forward upon a new road to build a new society by peaceful, orderly and Christian methods, and see to it that government of the people, by the people and for the people does not perish from California."

THE EPIC PLAN

1. A legislative enactment for the establishment of State land colonies whereby the unemployed may become self-sustaining and cease to be a burden upon the taxpayers. A public body, the California
Authority for Land (the CAL) will take the idle land, and land sold for taxes and at foreclosure sales, and erect dormitories, kitchens, cafeterias, and social rooms, and cultivate the land using modern machinery under the guidance of experts.

2. A public body entitled the California Authority for Production (the CAP), will be authorized to acquire factories and production plants whereby the unemployed may produce the basic necessities required for themselves and for the land colonies, and to operate these factories and house and feed and care for the workers. CAL and CAP will maintain a distribution system for the exchange of each other's products. The industries will include laundries, bakeries, canneries, clothing and shoe factories, cement-plants, brick-yards, lumber yards, thus constituting a complete industrial system, a new and self-sustaining world for those our present system cannot employ.

3. A public body entitled the California Authority for Money (the CAM) will handle the financing of CAL and CAP. This body will issue scrip to be paid to the workers and used in the exchanging of products within the system. It will also issue bonds to cover the purchase of land and factories, the erection of buildings and the purchase of machinery.

4. An act of the legislature repealing the present sales tax, and substituting a tax on stock transfers at the rate of 4 cents per share.

5. An act of the legislature providing for a State income tax, beginning with incomes of $5000 and steeply graduated until incomes of $50,000 would pay 30% tax.

6. An increase in the State inheritance tax, steeply graduated and applying to all property in the State regardless of where the owner may reside. This law would take 50% of sums above $50,000 bequeathed to any individual and 50% of sums above $250,000 bequeathed by any individual.

7. A law increasing the taxes on privately owned public utility corporations and banks.

8. A constitutional amendment revising the tax code of the State, providing that cities and counties shall exempt from taxation all homes occupied by the owners and ranches cultivated by the owners, wherever the assessed value of such homes and ranches is less than $3000. Upon properties assessed at more than $5000 there will be a tax increase of one-half of one per cent for each $5000 of additional assessed valuation.

9. A constitutional amendment providing for a State land tax upon unimproved building land and agricultural land which is not under cultivation. The first $1000 of assessed valuation to be exempt, and the tax to be graduated according to the value of land held by the individual. Provision to be made for a state building loan fund for those who wish to erect homes.

10. A law providing for the payment of a pension of $50 per month to every needy person over sixty years of age who has lived in the State of California three years prior to the date of the coming into effect of the law.

11. A law providing for the payment of $50 per month to all persons who are blind, or who by medical examination are proved to be physically unable to earn a living; these persons also having been residents of the State for three years.

12. A pension of $50 per month to all widowed women who have dependent children; if the children are more than two in number, the pension to be increased by $25 per month for each additional child. These also to have been residents three years in the State.

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