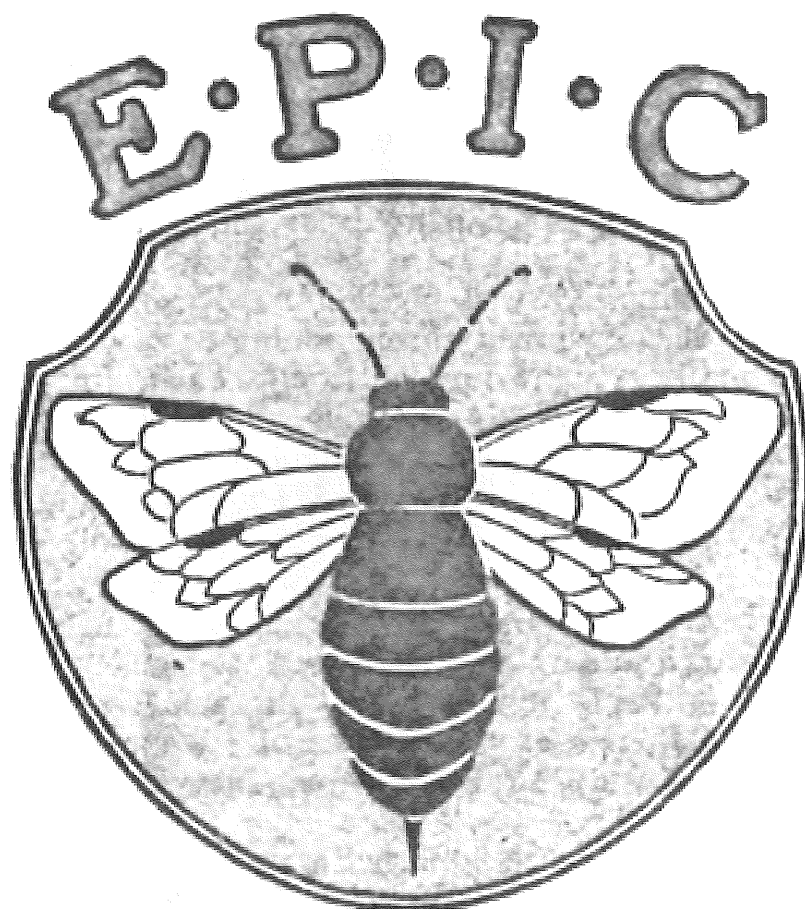




I PRODUCE · I DEFEND

Ending Poverty in California and the “Sincliar” Dollar

By Loren Gatch

MUCH AS THE NEW DEAL ERA CHANGED THE RELATIONSHIP between government and business, far more radical fixes for economic hardship were proposed but never implemented. Fads like Technocracy or Stamp Scrip came briefly into vogue, only to sink back into the shadows of speculation. One panacea that came nearer to reality than any other was Upton Sinclair's plan to End Poverty in California (EPIC). The basis of his bid for the California governorship in 1934, Sinclair's EPIC campaign not only upended California politics, but altered the direction of the Democratic Party nationally.



Upton Sinclair

Best known for his early expose of conditions in the Chicago meatpacking industry in *The Jungle* (1906), Upton Sinclair (1878-1968) was a prolific author of both fiction and nonfiction works that broadly painted a left-wing critique of American political and economic conditions. Moving west to Pasadena in 1916, “Uppie” dabbled in politics, running unsuccessfully for state and national offices as a Socialist in the 1920s. As the Depression deepened after 1929, Californians grew receptive to radical solutions to mass unemployment. The Los Angeles area was a center of the Technocracy movement, which sought to replace the price system with planned production, administered by technical experts. Southern California was also a hotbed of barter groups and self-help cooperatives that sprung up to swap urban labor for the produce of the rich agricultural hinterlands.

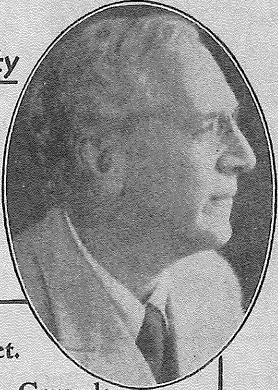
The signal fact of the Great Depression was the perplexing coincidence of idle factories, crops rotting in the fields, and unemployed, underfed workers. Could not factory and farm again be brought to life through some coordinated effort? In his 1933 pamphlet grandiosely titled *I, Governor of California And How I Ended Poverty*, Sinclair sketched out his EPIC plan for doing just that. Upon his election as Governor, Sinclair described how he would seek the creation of a California Authority for Land (CAL) that would take over idle and foreclosed acreage and resettle the unemployed in land colonies that would then produce their own food. Similarly, a California Authority for Production (CAP) would acquire factories where the unemployed would be put to work manufacturing products for themselves and for the inhabitants of the land colonies. Finally, a California Authority for Money (CAM) would issue a new form of currency to pay employees of the CAL and CAP, and facilitate exchanges between the two entities.

I, GOVERNOR OF CALIFORNIA

And How I Ended Poverty

▲ True Story of the Future

BY
UPTON SINCLAIR



This is not just a pamphlet.
 This is the beginning of a Crusade.
 A Two-Year Plan to make over a State.
 To capture the Democratic primaries and
 use an old party for a new job.
 The EPIC plan:
 (E)nd (P)verty (I)n (C)alifornia!

The Best Selling Book in the History of California
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PRICE 20 CENTS

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The pamphlet that Started Sinclair's Campaign

In addition to this Sinclair advocated a scheme for public pensions, but the core of his plan aimed to reinvigorate economic activity by operating government-owned agricultural and industrial entities that put to work idle men and resources.

Whether these entities functioned alongside private enterprise or ultimately supplanted it was an important question, but one for the long term. As substantial a departure as EPIC was from the status quo, Sinclair's plan was just a variant of what in the jargon of the time was called "production-for-use." Similar ideas were promoted by academics like the Princeton economist Frank D. Graham, and the engineer and TVA chairman Arthur E. Morgan. Pilot programs for producers' cooperatives and subsistence homesteads had even been established by the Federal

Emergency Relief Administration.

EPIC would have remained just one more dilettante's plan to save the world had Sinclair not switched his affiliation from Socialist to Democrat and triumphed in that party's gubernatorial primary on August 28, 1934. To general shock, Sinclair emerged as the Democrat candidate, roiling both California and national politics. Traditionally Republican, California had gone for Roosevelt in 1932 and Democrats were positioned to take statewide offices. The incumbent Republican governor James Rolf died suddenly in office, leaving Lieutenant Governor Frank Merriam as his successor and the party's standard bearer. A colorless hack, Merriam represented the conservative, standpat wing of the Republican Party and a figure unlikely to generate the enthusiasm necessary to defeat Sinclair.

California business interests were aghast at the possibility of Sinclair as governor. Not only did EPIC challenge private enterprise, but the funding for it would come from, among other things, a progressive income tax and a stiff inheritance tax. This struck directly at the rich,

and the rich struck back. Numerous groups sprang up to channel financial contributions to the anti-Sinclair movement, notably the United for California League (UCL) in the south and California League Against Sinclairism (CLAS) in the north, the latter run by Clem Whitaker, a new breed of freelance political consultant. Conservative Democrats stumped for Merriam rather than support a socialist. Practically the entire newspaper establishment (with the single exception of the *Oakland Tribune*) refused to give Sinclair any positive publicity, leading his campaign to create its own alternative media outlets centered upon the movement's own newspaper, *EPIC News*. Republicans sought to suppress the Democratic turnout by mass legal challenges to their voter registrations. Hollywood moguls like Louis B. Mayer and Joseph Schenck threatened to relocate their studios to Florida if Sinclair won. The studios even imposed a one-day "Merriam Tax" on their employees' salaries (paid by most, but resisted by some stars like Jean Harlow and James Cagney) to fund the fight against Sinclair. Irving Thalberg, Mayer's production chief at MGM, oversaw the filming of a notorious series of propaganda newsreels that depicted the armies of hobos and vagrants that were alleged to be gravitating towards California in anticipation of the EPIC Nirvana.

Shortly after his primary victory, Sinclair traveled east to meet with President Roosevelt and secure his blessings. For FDR, Sinclair's candidacy posed a quandary. Supporting Sinclair would drag the New Deal well to the left at a time when its viability was still in doubt. Disavowing him would alienate Democrats in California and elsewhere. Sinclair was desperate to associate his cause with the New Deal, and by the time of the state's Democratic convention in late September 1934, Sinclair had backpedaled from the more exotic elements of his plan, notably the idea

'On to California!'



"On to California"
"Easy Pickings in California" cartoons scorned the utopian Socialist's plans to set up government co-ops for agriculture and manufacturing as a solution to unemployment in the Great Depression.

of issuing California scrip. Ultimately FDR's unwillingness to endorse him by late October meant that the EPIC campaign had to rely primarily on its own enthusiasm and the draw of Sinclair himself.

On its own, EPIC was hard-pressed to fight back against the vicious attacks against Sinclair. In addition to Thalberg's newsreels, anti-Sinclair literature of all sorts poured out of opposition's well-funded campaign, much of it satirical and worse. EPIC now stood for "Every Pauper is Coming", and "Elect Parties Endorsing Communism"; in its place was offered the SEPTIC ("Soak Every Possible Taxpayer In California") Plan. Clem Whitaker in particular masterminded the syndicating of anti-Sinclair propaganda throughout the state's newspapers. Ultimately, though, Sinclair's worst enemy was himself. Over the years Sinclair's writings had targeted everything from marriage and the Boy Scouts to organized religion, and his opponents had a field day simply quoting the muckraker's own words.

Noteworthy among the attacks upon Sinclair's candidacy was the issue of hundreds of thousands of "Sincliar" Dollars by Whitaker's group CLAS. These drove home the attack upon EPIC (now standing for "Endure Poverty in California") as a communistic takeover of the state. Styled "The Red Currency," printed in red, and "good only in California and Russia" (but "not very good anywhere" else), the text is stocked with the sort of ridicule that abounded in the anti-Sinclair literature generally. "Utopian Sincliar" joined the list of puns on the author's name; "I, Governor of California" alluded to his 1933 pamphlet that proposed a California scrip issue. "Tom Phoney" might be a reference to Tom Mooney, the imprisoned labor militant whose conviction for a 1916 bombing Sinclair promised to commute.

"Easy Pickings in California" reminded voters of the core attack on EPIC, namely that it would become a magnet for vagrants and other undesirables from around the country. Sinclair's running mate for the lieutenant governor position was Sheridan Downey, and reference to the "Uppy and Downy bank" played on the popular term for the EPIC gubernatorial slate.

Between the vigorous campaign by the anti-Sinclair forces, the presence of a third candidate who siphoned support from the EPIC slate, and the refusal of FDR to endorse him, Sinclair lost the election with 870,000 votes to Merriam's 1.3 million. Still, it was more votes than a Democratic candidate had ever won in California before. In other state races across the country the Democrats surged that November, and it was only two years later that the Democrats took the governorship away from Merriam.

Upton Sinclair never ran for office again for the rest of his long life, and the EPIC movement quickly fell into bickering pieces. In his own post-mortem of the campaign, entitled *I, Candidate for Governor: and How I Got Licked*, Sinclair ruefully acknowledged the "Sincliar" Dollar as one of the cleverer propaganda

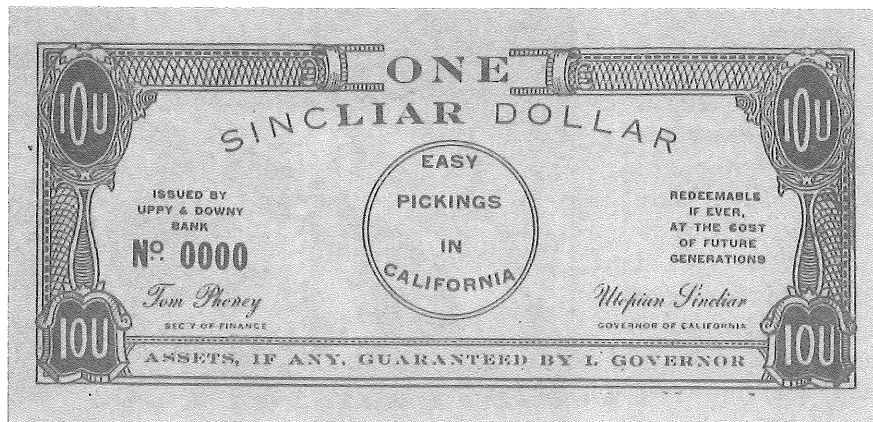
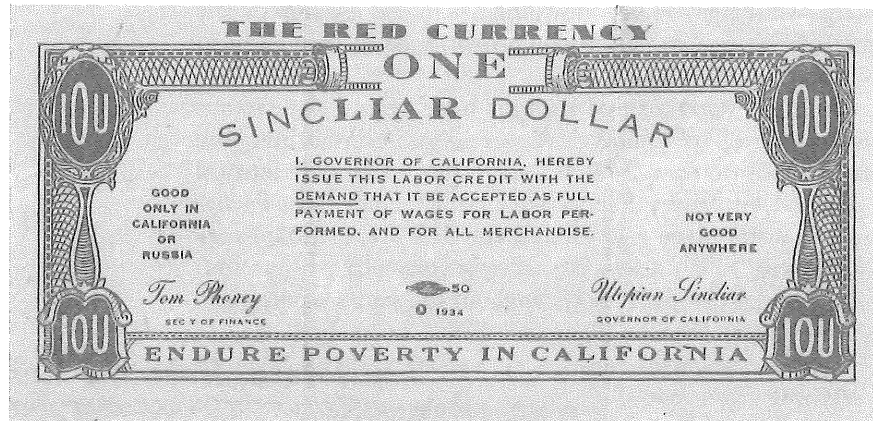
"California, Here We Come!"



"If I am elected Governor, I expect one-half of the total unemployed in the United States will hop the first freights for California."—Upton Sinclair.

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— Upton Sinclair



Sinclair Dollars were printed in red on pink paper lampooning the candidacy of Upton Sinclair for California Governor in 1932.

items put out by the opposition. "We got a lot of these from Merriam headquarters," he wrote, "and I autographed them and we were going to sell them at meetings; but our lawyers were afraid we might be breaking some law!" The same newspapers that vilified his candidacy now vied to serialize his account of the election, and Hollywood even seriously looked at a screen adaptation of the EPIC phenomenon.

Much as the Presidential election of 1896 ushered in the modern era of campaign finance, the California campaign of 1934 marked the rise of campaign consultants like Whitaker as a political force. Thalberg's propaganda newsreels prefigured the televised political commercial, which became an increasingly important political weapon by the 1950s. Sinclair's failed candidacy was also the incubator of a new generation of liberal California politicians. Ironically, Hollywood's culture itself soon shifted leftward, catching up with Sinclair and setting the stage for new political conflicts during the McCarthy era.

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